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PROBLEMS OF SOCIAL AND ECONOMIC DEVELOPMENT IN THE COUNTRIES OF ASIA AND THE FAR EAST[1]

I. NATURE OF THE PROBLEM

Growing interest in the problem

The interrelation of economic and social factors has long been recognized, and much has been written on the subject. Interest in it has developed for several reasons. First, in Europe during the nineteenth century, a deep concern arose over social ills—unhealthy working conditions, starvation wages, child labour, disruption of family life, overcrowding, filth and sordidness in slums, delinquency and corruption of youth—that were observed in rapidly growing industrial and urban centres. Concern with such problems has continued into the twentieth century, and is shared today by representatives of economically under-developed countries that are seeking rapid industrialization. This humanitarian concern was often accompanied in the past by a philosophic point of view which regarded industrialization and urbanization not as a form of human progress, but as retrogression.

Today it is generally believed that economic development, including industrialization, is an essential means to the elimination of human misery. Redistribution of existing wealth is not sufficient to solve social problems; the total amount of wealth must be increased through economic development if the poverty in the under-developed areas is to be relieved. Much depends on the manner in which industrialization takes place, on how the increased production and wealth are distributed, and on whether the human and social aspects are properly provided for.

It is also apparent today that the poverty and misery observed in the expanding cities of economically under-developed areas cannot generally be attributed to industrialization—much of it represents but an overflow into the cities of rural poverty; depressed villagers crowd into urban areas in search of possible betterment, if not through employment then perhaps through urban social services. The problem is thus not industrialization but the lack of industrialization which can absorb the surplus labour.[2]

A second type of interest in the interrelations of economic and social factors has emerged with general acceptance of the principle of economic development. It concerns the social obstacles to such development. If it is true that development may bring about a disruption of certain traditional ways of life, with attendant social difficulties, it is also true that these traditional ways of life that do not fit modern economic requirements may hamper economic growth. Caste and class systems defining and controlling economic functions; autarchic family and kinship systems; antiquated forms of land tenure; feudal relations between owner and worker; family and tribal loyalties reaching the point of nepotism; social forces discouraging entrepreneurism, investment and experimentation; illiteracy and lack of communications; lack of mobility of labour; habits of work, and attitudes towards certain types of work, inconsistent with development requirements; religious or semi-religious values impinging upon economic behaviour —these and numerous other factors have been singled out as obstacles in the social and cultural situation that may impede economic growth. Proof of the relationships is sometimes hard to obtain, and it is also true that a population may show a remarkable ability to circumvent such obstacles when there is a serious motivation for economic development, as the industrialization of Japan has demonstrated.

The third line of interest is connected with the evolution of a line of thought in which the emphasis has increasingly shifted from creating wealth, as such, to creating the capacity to create wealth. Once we think in terms of creating the capacity to create wealth—the "infrastructure" for wealth—attention is immediately focussed on social expenditure and on "human investment". The "infrastructure" is partly economic—transport, power, resources surveys, etc. But it is also partly social. The capacity to create wealth resides largely in people. Their health, education, knowledge, skill, adjustment to the requirements of a progressive society, and their degree of contentment, incentives, and acceptance of policies required for progress all constitute the indispensable social infrastructure of wealth. The development of statistical and mathematical research has begun to yield quantitative evidence on the relative importance of non-physical inputs as causes of economic growth. This research, however, has not so far been extended to under-developed countries, and it is not certain how far the conclusions derived from the studies relating to advanced countries would be applicable to the conditions in under-developed countries. However, some writers believe that, in the early stages of development, non-physical factors of development may be much more important than is commonly believed. On the

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[1] Revised version of the working papers E/CN.11/DPWP.5/L.2, 3 and 5-8 prepared for the fifth session of the Working Party on Economic Development and Planning by the ECAFE secretariat, the United Nations Bureau of Social Affairs and the UNESCO Research Centre on the Social Implications of Industrialization in southern Asia.

The designations of countries and territories and the arrangement of material in this publication should not be considered as implying any endorsement or other judgment by the Secretariat of the United Nations regarding the legal status of any country or territory, or of its authorities, or in respect of the delimitation of its boundaries.

[2] See United Nations, *Report on the World Social Situation, 1957*, Part II on Social Problems of Urbanization in Economically Under-developed Areas.

other hand, the productive basis for social improvements is certainly highly important. The planning sequence of higher incomes first, as a source of financing both social improvements and further increases in income, is still one of the central principles of development planning. It is still possible for social expenditure to be insufficiently causative of more production, and to run ahead of the productive basis of society; in that case it is bound to boomerang and to be anti-social in its ultimate effects.

The entire question of the interrelation of economic and social development has been brought into sharper focus by certain changes in the role of the modern state. Since the late nineteeth century, and particularly in the last few decades, governments have been assuming increasing responsibility for the promotion of social welfare and for the development of the national economy. This is evident in the remarkable expansion after the Second World War both of social programmes—often embodied in principle in new national constitutions[3]—and of economic development planning. Thus, several countries of Asia have embraced the principle of the "welfare state", while at the same time formulating national economic development plans. This simultaneous preoccupation with social measures and with economic projects, and the inevitable competition for funds, and differing opinions regarding priorities, raises a number of difficult policy questions for government planners and budget makers.

With these emerging interests in the interrelation of economic and social development, there has also been a basic change in approach. At first, the approach consisted largely of warnings by social philosophers and social scientists on the dangers of industrialization and economic change, as well as practical efforts by social workers and others to deal with problems created by economic change. It has become apparent that neither of these approaches is sufficient. It is not enough to flash red warning signals; more positive indication is needed of the paths to be taken. The opinion is now taking hold that, "instead of treating social policy as a handmaiden whose function is to tidy up human suffering and insecurity left in the wake of economic development, social objectives should be 'built-in' on an equal footing with economic objectives into comprehensive social and economic planning".[4] This new emphasis on positive, forward planning is reflected in a changing terminology. The problem is not merely the "social consequences of industrialization" or the "social aspects of economic development"; it is "balanced social and economic development", or, more precisely, "planning for balanced and integrated social and economic development".

Reasons for concern

The question of balanced development has particular relevance to the problems of the less-developed countries, where social and economic factors are closely intertwined or wholly inseparable. Many of these countries have recently become independent, and are seeking to establish new patterns of welfare and growth. They are also seeking a means for rapid development. The large majority have undertaken some form or other of development planning. This immediately raises questions of how to plan jointly for economic and social change; of how the limited resources that are available should be allocated for maximum effect; of determining priorities among competing demands; of introducing specific programmes at such a time and in such a way that they will have the support in other fields necessary for their success, and will have desirable repercussions or at least will not bring about ill effects in other fields; of trying to ensure that development is not held back either by a lag in a particular economic or social sector, or by an excessive concentration of resources in that sector to the detriment of other sectors; and in general of trying to draw a balance between action to meet the immediate welfare needs of the people and action to build up capital for the future. A government authority or planning board, or parliament of an under-developed country that undertakes to plan over-all development and allocate resources will inevitably face questions of this type.

Similar questions arise within a particular sector, as in education, where, for example, the proportionate emphasis to be given to primary, secondary, technical and higher education, and to particular fields of education, is a policy question of the first magnitude. In countries that are highly industrialized but have no formal and general planning machinery, the same problems do not arise, or at least not to the same degree. For example, in such countries "balance" can be taken care of to a greater extent by the action of supply and demand and by the general responsiveness of a population that is educated, in close communication and development-minded. Thus, if graduates in a particular technical field are required for industry or agriculture, good jobs will be offered, potential students will hear about the opportunities and wish to take courses, institutes will offer courses, and the need may well be met, if not perfectly, at least adequately, without government intervention. In practice, even in these countries today governments do intervene in various ways to facilitate such adjustments of supply and demand. In developed countries with centrally planned economies, of course, the intervention is much more extensive, and the achievement of balance depends largely on the planning mechanism.

In the economically under-developed countries, the mechanism of supply and demand in the society at large is weak in relation to other forces that determine behaviour, and it is often undermined by lack of communication and hence of responsiveness. Thus a need for graduates in a particular technical field in these countries will probably not be met through spontaneous action: potential students are likely not to be informed about the need; if they are informed, they may prefer another type of employment which has less economic promise but more status appeal; if they are interested,

[3] See United Nations, *International Survey of Programmes of Social Development, 1955*, pp.3-4.

[4] United Nations, *Report on a Co-ordinated Policy regarding Family Levels of Living*, (1957), p.18.

they may find no institutes nearby equipped to teach the subject and they may lack personal mobility to go elsewhere, etc. A number of economically under-developed countries continue year after year to turn out an excess of secondary and higher education graduates who cannot find the white collar jobs they seek, while the economic and social development of the country is held back by a dearth of qualified graduates in various technical fields.

Technical and financial assistance from abroad has provided another reason for particular concern with planning for balanced social and economic development in the less-developed areas. To be effective, such assistance requires an integrated, planned approach: a recipient country should assess its economic and social needs, establish some order of priority among them, and ensure that programmes derived from abroad have the proper local base. Experience has shown the dangers, for example, of trying to graft, through technical assistance, an expensive modern social security programme upon an under-developed economy that cannot support the programme.

There is no over-all conception or theory of balanced social and economic development applicable to the economically under-developed countries at the present time; there are only fragments of a theory and "common sense". One difficulty with common sense is that it rarely transcends the bounds of professional interests. As a result, the recommendations for development of a visiting mission or local board will be often seen to reflect the composition of the mission or board; each representative of a professional field tends to consider his own field most important for development, and consequently urges heavy investment in projects in that field. The lack of an over-all conception of balance in relation to public expenditure has been forcefully stated in the following quotation:

> ". . . . what is the appropriate level and distribution of public expenditure in under-developed countries? The question cries out for an answer, if not in rigid quantitative terms, at least in terms of some principles which may be used in judging government programmes. Through the world, ministers and officials are busily engaged in working out five-year plans for public expenditure, and they look anxiously to economists and to others for guidance as to what is appropriate. Neither is there any lack of advice offered. But in none of the mass of published reports can one discover how the authors have decided what level or pattern of expenditure was appropriate. Judgments in this sphere of public finance boil down to little more than personal assertions."[5]

A final reason for special concern with questions of balanced development in less developed countries has to do with the problem of standards or criteria for the guidance of social policy. Levels of living are often too far below the "modern" standards of the developed countries to permit the use of such standards. In fact, their use may even be harmful. For example, the attempt to employ European housing standards in the construction of low-cost public housing in under-developed areas is likely to put this housing beyond the reach of the poorer classes who cannot afford even the minimal rents; the construction of the housing can also be a serious strain on the government budget, while the subsidized beneficiaries will often be found to be middle-class government employees. For other components of the level of living, there are no available technical standards that could be applied to establish targets. Thus, for a country that is only one-third literate and in which only one-third of the children go to school, there is no technical educational standard which will demonstrate that, say, one half of the people should be literate and one half of the children in school. Obviously, everyone should be literate and all children should be in school. But this may not be feasible in terms of existing resources and competing demands for these resources within the next few years.

Instead of guiding social policy by standrads imported from abroad, the governments of economically under-developed countries must determine what is feasible and appropriate, under the given circumstances, and set targets accordingly; what is desirable will be far beyond what is feasible in the immediate future for most social components. To determine what is feasible, it is necessary to look at the existing situation of the country as a whole and take account of available resources (material and non-matarial) and of needs in all fields. This is, in effect, looking at the question of the development of a particular social field from the point of view of balanced economic and social development.

The meaning of "balanced" economic and social development

The expression "balanced social and economic development" has come in recent years to be the vehicle for conveying the general idea that economic development and social development should proceed in appropriate relation to each other. A few preliminary comments on the concept of "balance" are called for at this point. The term is, of course, used in many different contexts, from "balanced diet" to "balanced personality" and "balanced budget". Within the economic field, reference is frequently made to balance between savings and investment; agriculture and industry; heavy industry and light industry; supply and demand, etc. In the literature on planning in the Soviet Union and other eastern European countries, the words "proportionate" and "disproportionate" are often employed in much the same sense as sectoral balance and sectoral imbalance in economic development.

Balance could conceivably mean the equal weighting or the granting of equal importance to all the factors involved in a given situation. Any suggestion of an equal allocation of funds to every type of economic and social programme, however, is manifestly absurd. Nor is there much purpose in talking about balance as if it were a situation in which the degree or amount of, say, industrialization would be equal to the degree of develop-

[5] "Patterns of Public Revenue and Expenditure" by Alison M. Martin and W. A. Lewis in the September 1956 issue of *The Manchester School of Economic and Social Studies*, pp.216-217.

ment of health (or any other factor), on the assumption that there is some common scale by which the level of development in these different factors can be weighed and found equal. No such scale exists. In particular, it is not possible to convert social factors, like health conditions, into monetary terms used to measure economic conditions, any more than it is possible to convert the level of industrial production into mortality or morbidity rates.

Balance could also conceivably mean doing something about all factors at the same time, so that the several social aspects and the several economic aspects are acted upon simultaneously. Although this is a more plausible meaning, it cannot be adopted in the present context. If two factors, A and B, are involved, and if A is necessary before B can be established, or if B will come along automatically when A is established, then taking action simultaneously on A and B would be a balanced approach by this definition, but a poor development policy. In other words, simultaneous action in all categories would be contrary to the proper staging of the development process—and also, impossbly expensive.

In point of fact, the term balance apparently means to most people a desirable arrangement of affairs, and imbalance an undesirable arrangement. For present purposes, therefore, and as a preliminary definition, balance will be understood to mean simply a desirable or appropriate arrangement of social and economic affairs—desirable or appropriate from the point of overall development, in the interests of the people of the country concerned.[6] Balance is therefore not used here to mean a kind of equilibrium that would tend to be static, but a state of optimal relationship of social and economic elements in the process of growth. This preliminary definition leaves open entirely the question of what kind of arrangement is desirable or appropriate. The answer to that question is a matter not of arbitrary definition but of research and theory—and, in the last analysis, of value judgments.

There are two general ways of approaching the problem. The first is to make an analysis of interrelations — of "complementarities" (dependency of one factor upon another) or of consequences (effect of one factor upon another). An arrangement may be said to be undesirable or out of balance if it can be shown, for example, that a programme of economic investment lacks essential supports in the social field (institutional, educational, etc.), or that a social programme lacks essential economic requirements; or if it can be shown that development in a particular economic or social field has gone far ahead but with serious consequences for other fields: maladjustments, excessive drainage of resources, over-supply of products (or categories of educated personnel) which the society cannot absorb. Some range of variation in the relations between factors is normal, the range being narrower the closer the relationship (for example, the level of technical education can vary somewhat but not too much at a given level of industrialization); beyond this range there is imbalance.

The difficulty in such an approach is that it calls for a degree of knowledge of interrelationships that does not exist and is not apt to be forth-coming for many years. For the more simple and direct relations, such as the number of trained personnel required for an economic enterprise, or the amount of housing required for the workers, it may not be too difficult to make inter-sectoral specifications. Where the relations are complex or indirect, however, as in the relations between health and industrialization or primary education and industrialization, the situation largely escapes present knowledge.

It is characteristic that a programme in one field will have quite unintended and unexpected effects in another field (although once these effects are known, they can be taken into account in future planning). Nor are the same effects everywhere obtained. The economic consequences of a social programme or the social consequences of an economic programme may depend upon the particular situation of the country concerned. Thus, large-scale public assistance or public works may in one country stimulate idle productive capacity and thereby strenghten the economy, but in another country, where the increased flow of money cannot be matched by an increased flow of goods, may cause inflation. Finally, it must be recognized that no easy generalizations on the relation between "social development" and "economic development", or between "social factors" and "economic factors" can be made for the simple reason that "social" and "economic" are broad classificatory terms, each covering a variety of different elements (with considerable overlap). Some social programmes may compete with economic development, others may make indispensable contributions; some aspects of economic development may have unfavourable social effects, others may have immediate beneficial effects. Furthermore, certain types of imbalance between economic and social factors are almost inevitable aspects of growth or parts of the growth process itself and can hardly be avoided.

A second way of approaching a conception of appropriate balance is through international comparisons, that is, taking account of the experiences of other countries. Thus, if it could be assumed that, in spite of variations from country to country, there is, in a very rough sense, a "normal" pattern of inter-sectoral relations, then gross deviations from such normality might serve to indicate a *prima facie* situation of imbalance. Variations within a given range would be normal. It is quite probable that what is a normal or appropriate balance of economic and social aspects will change with the changing levels of development. It is also possible that some situations of imbalance, as indicated by the method of international comparison, may not be really so when viewed in the context of particular national conditions.

[6] It may be objected that the use of the term in this evaluative sense is "rhetorical" or "unscientific". This can lead to much fruitless discussion. The situation is the same as with terms like "health", "sickness,," "malnutrition", and countless others in disciplines that are concerned with human welfare; or, to take closer parallels, "balanced diet", "hormonic balance" in the body, "'chemical balance" in the brain, etc., all of which refer essentially to a desirable arrangement of things.

The main difficulty with this approach is that it is not theoretically possible to assume that the normal or most frequent pattern is necessarily the best. To some extent this difficulty could be met by developing a conception of "healthy" growth, that is, the pattern of growth of countries that have been characterized by a high total rate of development, on the broad economic and social front as a whole. It is possible, however, that what is appropriate for one type of country, as an over-all pattern of growth, may not be appropriate for another. These are theoretical questions needing empirical study. Meanwhile, rough international comparisons are constantly being made, by scholars and by government planners, and do appear to have practical value in giving clues regarding balanced development.

The question of balance can be examined at two levels of analysis, which it is important to distinguish. There is, in the first place, balance at the level of governmental action and public expenditure; it includes the question of allocations to the different types of projects, allocations in both development and regular budgets and both capital and current expenditures (this is the type of analysis made by Martin and Lewis in the article mentioned above.) There is, in the second place, the question of balance among the actual factors of economic and social development, that is, in the pattern of existing inter-relationships among health conditions, education (of various types), industrialization, agricultural production, etc. Imbalance at the first level might be represented by insufficient allocation to technical education in a development plan; at the second level by an insufficient number of technicians to meet existing demand. There is a close relation between the pattern of programming or of budgetary allocation and the pattern of empirical conditions, but by no means identity. Thus, a country may make a consistently large allocation in a particular sector, and this may account for its relatively high level of achievement in this sector; or it may make a large budgetary allocation precisely because it recognizes that it is lagging in this particular sector. Investment in the private sector can play a critical role. The budgetary problem of balance should not be considered in abstraction from the actual situation obtaining within a country.

A final necessary distinction is that between integration and balance. Integration is understood here to mean the bringing together of different economic and social programmes or functions into a unified whole, as by unified planning or the execution of comprehensive development programmes involving both social and economic aspects. Under this meaning, there can be balance without integration and integration without balance. The tying in of social programmes with economic programmes may reflect not balance but a kind of absorption in which the social aspects are so subordinated to the economic aspects (or *vice versa*) as to receive little attention, with a resulting imbalance. Conversely, it is possible for the interrelations of social and economic factors to be such that they meet the requirements of balance, even though there is no actual integration of programmes.

Search for operational concepts as policy guides

The interrelations between economic and social factors in the development process are extremely complex, and it is but natural that considerable difficulties should be encountered in defining the term "balanced" economic and social development. Generalizations, such as the one that balance means "a desirable or appropriate arrangement of social and economic affairs . . . in the interests of the people concerned",[7] are too broad to be of operational significance as a guide to policy for the planner in economic and social fields. From this point of view, the concept has to be defined in terms of specific criteria. Even in this limited sphere, the difficulties in defining the concept are enormous, but a few elements in the concept of "balance" may be discussed as they seem to be of some practical value.

(*a*) One way of approaching the problem would be to analyse the interrelations of social and economic activity and investment in specific fields in terms of complementarities and mutual support, on the one hand, and conflict and competition, on the other. Social and economic expenditures have partly clashed and partly blended with each other. There are also some programmes that can be classed as distinctly social, others distinctly economic, and yet others intermingle in various ways. Good development planning involves the task of finding areas where the two support each other, strengthening those support areas and directing both economic and social expenditures towards such support areas. Other things being equal, a favourable economic impact of a certain type of social expenditure justifies a higher degree of priority, and *vice versa*. It is doubtful whether such priorities are yet sufficiently sought after and implemented in the actual development plans. Thus, for instance, in health programmes, it would be important to give emphasis, probably more than has been done, to programmes specifically directed towards the betterment of health conditions in a vital development region of the country where investment is proceeding or impending, such as in the development of a river valley. The question could also be raised, how far it is desirable, or indeed possible, to place special emphasis in health programmes on health projects which benefit specifically the productively active population. This opens up areas for co-operation between those responsible for social and economic planning respectively, and such areas deserve to be fully explored.

In the same way, it is necessary to examine particularly the chief areas of conflict, in order to try to mitigate conflicts. For example, the main bottlenecks in economic development planning are usually in foreign exchange, insufficiency of savings, building capacity and skills, especially good managers and administrators. It makes sense to steer social programmes towards programmes which place the least possible strain on these bottleneck resources. It may be noted, incidentally, that the community development method scores very highly in all these respects by reducing the economic bottlenecks; this, perhaps, helps to account for its widely recognized promise.

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[7] See page 6 above.

The principles of development planning should also lead us—apart from strengthening mutual support and mitigating conflicts—to finding situations where by combining the two, the effect of the total expenditure can be made greater than the effect of social and economic expenditure taken separately. In all these attempts to find situations of mutual support and special combination effects, to find and avoid situations of mutual conflict, the purpose of development planning should be compatibility between social and economic development, rather than a balance between the two. The term "compatibility" would be preferable as an operational guide for another reason, namely, because it does not imply an excessive amount of value judgement which is implicit in the concept of balance.

(*b*) A second element of effective interrelation lies in the concept of cumulative growth. It is of the essence, in the philosophy of development planning, that individual segments of time, whether the customary budgetary period of one year, or the slightly less customary planning period of 3 to 6 years, or any other period, should not be taken as self-contained. Each segment of time should be looked at in relation to what has gone before and what is to follow. In each period, we try to build, in the best way we know, on what has been done before, and to lay the foundation, in the best way we know, for the future. In this sense, cumulative growth means growth which contains in itself a promise that it will continue. Such a promise of continuity implies that each period hands over to subsequent periods a situation in which people are better equipped, by reasons of provision of capital, knowledge, health and incentives, to be more productive in the future than in the past. When the problem is put in that way, it will be seen that cumulative growth requires some kind of mixing of social and economic expenditures. People are the main link—together with physical capital —between the present and the future. It is more natural that each period should leave the next period better off in both the main elements of cumulative growth, than emphasize one of these elements of progress at the expense of the other. In the first case, we can be reasonably sure of economic progress; in the second case, we cannot. It is suggested that this idea of an operational interrelation makes some sense and is of value.

(*c*) A third element in the idea of operational interrelation, which may be of value, is the principle of integrated development, or that of common standards and priorities. As pointed out earlier, the concept of balance in the sense of *acting* simultaneously on all the factors involved is likely to be useless in practice. That is quite true, but perhaps it would be well to pursue this a little further. It may be impossible to *act* simultaneously all along the line, upon all the factors involved, but it is not impossible—and indeed essential—to *consider* simultaneously all the factors involved. This, in fact, is the essence of development programming, and underlies nearly all available techniques. The principle of integrated economic and social development would, then, mean that social and economic factors should all be looked at, that we should try to form a picture of all direct and indirect costs, and all direct and indirect benefits of given programmes, and that, in deciding our final expenditure programme, we should apply the same kind of criteria to the two types, social and economic, without any preconceived priority according to the "social" or "economic" label. This course will be greatly facilitated if we could think less in terms of categories of expenditure, and more in terms of important development problems to be solved. It would be difficult to think of any under-developed country in which, on listing the 6 or 8 major problems to be solved, one would not find that in each of these problems both social expenditure and social policies and economic expenditure and economic policies would have to be applied simultaneously.

Admittedly, the further addition of concepts of compatibility, cumulative growth and integrated development, although useful in some respects, does not provide much help in arriving at a clear definition of the term "balanced" social and economic development. The systematic study of the interrelations between economic and social factors in the development process has hardly scratched the surface of the problem, and much further research is required to shed light on the actual network of interactions. Such research work would, for example, help to identify social programmes with varying degrees of economic benefits and, *vice versa,* to measure such benefits and to specify the proper timing patterns of particular expenditure programmes. Only on the basis of such studies would it be possible to define some operational criteria which would prove useful as effective guides for policy decisions.

In this process, it is uncertain whether the importance at present attached to the concept of balanced growth will remain. The concept was first coined and used in the economic theory of balanced growth which took as its starting point the all-pervasive interrelationships of output and market, and external economies. But the authors who invented the theory of balanced growth have now abandoned their original position by advocating the theory of "big push" or of "growing points"—a theory which is conceptually the very opposite of balance, because it demands a system of priorities. Some writers even advocate a theory of "unbalanced growth".[8]

Nor does economic history seem to provide any empirical support for the notion of balanced or simultaneous growth. In most cases of historical economic and social development, individual sectors plunged ahead, sometimes carrying the entire system along, sometimes destroying important parts of the old ways of doing things. A real cost in the social sense was involved in the process of economic development, and whatever balance was achieved between economic and social factors, was an end result produced and maintained by the ceaseless ebb and flow of innovations and adjustments. Hence, while planning integrates economic and social development, it seems important to stress that planners should have in view a definite system of priorities based on a systematic study of effective interrelations and interactions of social and economic factors rather than starting from preconceived notions of balanced development.

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[8] Cf. Hirschman, A.O., *The Strategy of Economic Development* (1958).

II. EXPERIENCE OF ECAFE COUNTRIES WITH SOCIAL DEVELOPMENT PROGRAMMES

Social elements in objectives of development plans

The great majority of the countries in the ECAFE region have development plans of some kind or the other. Most of them i.e. Afghanistan, Burma, China (Taiwan), China (mainland), the Federation of Malaya, India, Indonesia, Iran, Japan, Nepal, Pakistan, the Philippines and Viet-Nam (southern) have comprehensive development plans. Others have development plans of a more limited scope. They include the British Borneo territories.[9] In addition, development plans are in the offing in Cambodia (draft five-year plan under consideration), Ceylon (a ten-year plan of development, 1959 to 1968), Korea (southern), Laos (five-year plan to start in July 1959) and Thailand (a public development programme, 1959-1963).

There are considerable differences in the titles and in the periods covered by the comprehensive plans, as is clear from table 1.

Table 1.

COMPREHENSIVE DEVELOPMENT PLANS OF THE ECAFE REGION[a]

Country	*Title of plan*	*Period covered*
Afghanistan	Five-year plan	1956/57—1960/61
Burma	Four-year implementation programme	1956/57—1959/60
China:		
Taiwan	Second four-year plan for economic development in Taiwan	1957—1960
Mainland	Second five-year plan	1958—1962
Federation of Malaya	Five-year capital expenditure plan	1956—1960
India	Second five-year plan	1956/57—1960/61
Indonesia	Five-year development plan	1956—1960
Iran	Second seven year development plan	1956/57—1962/63[b]
Japan	New long-range economic plan	1958/59—1962/63
Nepal	Five-year plan	1956/57—1960/61
Pakistan	First five-year plan	1955/56—1959/60
Philippines	Three-year programme of economic and social development	1959/60—1961/62
	Five-year fiscal plan	1959—1963
Viet-Nam, southern	Project de plan quinquennal	1957—1961

[a] In operation during the first half of 1959.
[b] From 21 March 1956 to 22 September 1962, or 6½ years only.

All the plans aim at raising the levels of living of the peoples concerned, and accordingly give priority to economic development. In some plans, however, social development, too, is given a significant place. Among these plans may be mentioned those of India, Pakistan and the Philippines. The principal objectives of the second five-year plan of India are outlined as: (*a*) a sizeable increase in national income so as to raise the level of living in the country; (*b*) rapid industrialization, with particular emphasis on the development of basic and heavy industries; (*c*) a large expansion of employment opportunities; and (*d*) reduction of inequalities in income and wealth, and a more even distribution of economic power. But the plan clearly states that "economic objectives cannot be divorced from social objectives, and means and objectives go together."[10] It also "must accelerate the institutional changes needed to make the economy more dynamic and more progressive in terms no less of social than of economic ends. Development is a continuous process; it touches all aspects of community life and has to be viewed comprehensively. Economic planning thus extends into extra-economic spheres—educational, social and cultural."[11]

In the first five-year plan of Pakistan, the objectives of government policy are "to develop the resources of the country as rapidly as possible so as to promote the welfare of the people, provide adequate living standards and social services, secure social justice and equality of opportunity and aim at the widest and most equitable distributions of income and property."[12] The plan therefore makes specific provision for social development too. It is specifically aimed at making "steady progress in providing social services: housing, education, health and social welfare."[13]

The three-year programme of economic and social development of the Philippines is part of a long-range programme "to improve real income and ensure for the people a life that is both materially and spiritually satisfying."[14] In the five-year fiscal plan, the objectives of the Government's economic and social improvement efforts are the provision of a progressively increasing number of jobs and steady employment for the growing labour force; the raising of real *per capita* income; and the bringing about of a more equitable distribution of income. It was reported, in connexion with the last objective, that the Government had "indirectly effected a more equitable distribution of income through public expenditures for increased social services."[15] The importance of the social aspects in the development process is clearly acknowledged. "The development process will be effected within the framework of existing culture patterns. Desirable changes in political and social institutions will be sought through education, demonstration and legislation when such are inimical to the

[9] The ECAFE secretariat has published two lists of existing plans recently in the *Economic Bulletin for Asia and the Far East*. The first appeared in Vol. IX, No. 2 (September 1958), p.28 of the *Bulletin*, and the second in Vol. IX, No. 3 (December 1958), p.14 of the *Bulletin*.

[10] Government of India, Planning Commission, *Second Five-Year Plan*, (New Delhi, 1956), p.24. For short, it will be mentioned as "India, *Second Five-Year Plan*" in future references.

[11] *Ibid.*, p.1.

[12] Government of Pakistan, National Planning Board, *The First Five-Year Plan*, (1955-60), (December 1957), p.1. The Plan will be henceforth referred to as, "Pakistan, *The First Five-Year Plan.*"

[13] *Ibid.*, p.13.

[14] National Economic Council, The Philippines, *Thre-Year Programme of Economic and Social Development* (FY 1959/60 to FY 1961/62), (Manila, 1959), p.15. The Plan will be referred to as "The Philippines, *Thre-Year Programme*".

[15] Republic of the Philippines, *The President' Budget Message*, Part I deals with "The Five-Year Fiscal Plan". Henceforth this source will be referred to as "Philippines, *The Five-Year Fiscal Plan.*"

requirements of a rapid economic development. Under the Programme, however, care will be taken that public policy and action do not upset drastically the existing non-economic value patterns lest the social gains in economic terms will be negated by the costs in non-economic terms."[16]

In short, development plans in ECAFE countries generally recognize the importance of both social and economic factors in the development process. While all the plans give priority to economic programmes, many of them not only recognize the importance of social development but also give a significant place to social programmes in the interest of material as well as non-material progress.

The role of social policy in development plans

A large number of the development plans of the ECAFE countries recognize the desirability of an integrated approach to economic and social development. One of the basic issues which arises in this connexion is competition for the scarce resources available for investment in the economic and social sectors. Many of the plans give attention to the relationship of the two sectors in terms of the general development picture for purposes of arriving at priorities and allocations.

The Burmese *Pyidawtha* plan, for example, is based on the premise that facilities for producing social services are as necessary and desirable as those for producing physical goods and economic development. "A healthy population not only needs medical care and schooling, but food and clothing and many other consumer goods essential to decent living. We are carrying out both kinds of expansion simultaneously. But the two, the economic and social programmes, more often than not, compete for the same limited resources—money, or steel, or electrical equipment, or trained technicians, for example. Therefore our programme for expansion of social facilities must be co-ordinated with, and balanced against, our programme for expansion of productive facilities".[17]

The newly formulated ten-year plan of development of Ceylon places equal importance on the application of planning techniques to the field of social development as in the case of economic development. In this respect, "although there is possibly some conflict in the short run between investment in this sphere and in directly productive undertakings, the long-term effects on development of high standards in education, health and housing are nothing but favourable. In addition, the pressures arising out of the growth of population cannot be ignored. The amount of resources that needs to be devoted to invesment in this sphere is closely affected by the rate of growth of population. Consequently, the objective of planning in regard to these services should not be to ignore these factors in the interest of a narrow conception of productive investment. The need, on the contrary, is to adopt and orient the social services towards the specific requirements of development".[18]

In much the same way, the five-year plan of Pakistan observes: "Priorities in the broad areas of agriculture, industry and transport can be considered largely in terms of courses of action promising the greatest contribution to the productivity of our resources. Obviously other considerations have to be taken into account in judging programmes in the fields of housing, health, social welfare, and education. Nevertheless, even in these areas the criterion of productivity has significant applicability. Housing for workers is as important as buildings to house machinery. Technical training has economic effects even in the short run, and the expansion of other educational services cannot fail to make a contribution to production over a longer period. The same thing may be said of health measures."[19]

The need for an integrated approach to economic and social development is also emphasized clearly in the Indian second-five year plan. One of its basic premises is that a planned approach to development "necessitates an integration of economic and social policies *inter se* in terms of the objectives and priorities on which the plan is based."[20]

Another approach is reflected in the development plans of the Philippines, whose President pointed out that, owing to limited resources, the Government had to make difficult decisions between channelling available funds into more economic development projects and providing more and better social services. It has been urged that "the choice would be to provide more funds for the maximum promotion of economic development and to restrict the expansion of social services until such time as additional funds can be generated from the increase in national income occasioned by agricultural and industrial development. However, the mandatory nature of social development expenditures precludes the full adoption of this approach."[21]

Some of the development plans of ECAFE countries also recognize the need to fit the objectives and implementation of the plans into existing social and cultural value systems as much as possible. Since, however, it is often necessary to institute programmes which may run counter to some patterns of the existing value system, it is often desirable, by means of social development programmes, to (*a*) condition or control social change for smooth transition or (*b*) compensate for any traumatic disturbance which a rapid economic development programme might cause to the social fabric. The second five-year plan of India, for example, made it clear that "the task before an underdeveloped country is not merely to get better results within the existing framework of economic and social institutions but to mould and

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16 Philippines, *Three-Year Programme, op.cit.*, p.15.

17 Economic and Social Board, Burma, *Pyidawtha, The New Burma*, a Report from the Government to the People of the Union of Burma in its Long-term Programme for Economic and Social Development (1954), p.25.

18 National Planning Council, Ceylon. Second Report of the Council: *A Ten-Year Plan of Development* (Government Press, Ceylon, 1959), Part I. The source will be referred to as "Ceylon, *Ten Year Development Plan.*"

19 Pakistan, *First Five-Year Plan, op.cit.*, p.82.

20 India, *Second Five-Year Plan, op.cit.*, p.41.

21 Philippines, *The Five-Year Fiscal Plan, op.cit.*

refashion these so that they contribute effectively to the realization of wider and deeper social values."[22] As mentioned earlier, the Philippine three-year programme of economic and social development also felt the need not to upset unduly existing non-economic value patterns, but, if this was necessary, to plan for desirable changes in the political and social institutions.[23] The plans of Ceylon and Pakistan, as mentioned above, view social development as a positive instrument for economic progress.

Some specific social programmes

This section gives a brief idea of what specific social programmes have been incorporated in the development plans, and how these programmes have fared in their implementation.[24]

With the exception of, perhaps, the Japanese plan, almost all the plans place unequivocal emphasis on rural community development, or the development of agricultural areas by guided community action. All plans also agree that provision should be made to increase educational facilities, to improve health and nutritional levels, to provide more and adequate housing, to ensure greater employment of available labour, to adopt more labour welfare measures, and to offer improved services, qualitatively as well as quantitatively, in the field of social welfare. But in actual programming, the emphasis on these subjects varies according to the estimated needs and the availability of resources of each individual country, so that there is no uniformity in this respect.

Community development and allied programmes

It may be said that community development and similar programmes are regarded as very important social instruments which contribute to (*i*) economic development, particularly in the rural sector, and (*ii*) smooth social change through community participation in the desired transformations for over-all development. These are made clear in the Indian second five-year plan, which states: "In under-developed countries there can be no substantial economic development without social changes. Increasingly, through the operation of land reform, attention to the needs of the landless and the disadvantaged sections of the population, strengthening of the village organization and the building up of local leadership, and the growth of the co-operative movement, the programme should become a positive force for bringing about both an integrated rural society and an expanding rural economy."[25]

In a number of instances, community development is held to be of fundamental importance in a country's economic development. For example, the five-year plan of Indonesia holds that community development, as a policy, is "aimed at raising the living standard of the village communities, so that they may constitute a potential source in the formation of new capital. . . . In short, on the basis of the *gotongrojong* (mutual help) character of the village communities, by giving aid in a limited manner, the Government hopes for a rapid development of the village community . . . so that multiple results may be reached."[26] In fact, an inherent feature of many of the plans seems to be that community development is the best method of achieving an integrated social and economic development policy at the village level.

What is generally understood as community development may go under another label. In the Pakistan plan, for example, the major instrument for enriching life in the villages and rural areas is the Agricultural and Industrial Development programme (AID). The village AID programme not only has as its objective agricultural and industrial development but "also seeks to provide more schools and health centres, better water supply, and other social and recreational facilities for the villages . . . through the initiative and energy of the village people themselves."[27]

The Pakistan plan also advocates a programme of urban development. It is recognized that, in the growing cities of the country where increasing industrialization is occurring, "the regulative authority of tradition will be weakest, the ties of family responsibility least compelling, the opportunity for organized discontent greatest." In the face of these conditions, Pakistan decided to experiment with urban community development. A slum area of Karachi, known as Lyari, having rigid patterns of society, undergoing a change due to the influx of refugees from India and the processes of urbanization and industrialization, was chosen for this purpose. The project has met with considerable success; Pakistan plans to have 70 urban community development projects during the first plan period.[28] Pakistan's country statement on the status of, and plans for, social development indicated that up to the first half of 1959, only 10 urban community development projects, namely, 60 short of the target set in the plan, had been established. The Government intends to pursue this programme more vigorously in the second five-year plan period, 1960/61-1964/65.[29]

Apparently, India is also undertaking some urban community development projects, although the bulk of its programme is concentrated in the rural areas. The second five-year plan aims to serve 325 million people under the national extension and community development programme, the first five-year plan having covered 80 million people under the same programme. Thus India's target for the second plan is 300 per cent over that of the first plan.[30] In places where the community development programme has been recently initiated, encouraging results have apparently led to accelerated expansion. In Korea (southern) for example, the community development programme was started in 1958 with four model communities. By the end of 1959 it is planned to have twenty-four such communities.

22 India, *Second Five-Year Plan, op.cit.*, p.22.

23 Philipines, *Three-Year Programme, op.cit.*, p.12.

24 Based on country statements on the status of, and progress made in, social development submitted to the fifth session of the ECAFE Working Party on Economic Development and Planning.

25 India, *Second Five-Year Plan, op.cit.*, p.236.

26 National Planning Bureau, Indonesia, "Some Explanations on Indonesia's 1956-1960 Five-Year Development Plan", *op.cit.*

27 Pakistan, *The First-Five Year Plan, op.cit.*, p.29.

28 *Ibid.*, pp.623-624.

29 Government of Pakistan, country statement on the status of and plans for social development in Pakistan, submitted to the ECAFE Working Party on Economic Development and Planning, (fifth session).

30 India, *The Second Five-Year Plan, op.cit.*, p.58.

It may be noted that progress in community development, extension work and the village AID programme depends a great deal on the availability of trained workers. In India, for example, training facilities seem to be keeping pace with the rate of development of the programmes, but in some other countries this is not the case. To give only one illustration, in spite of an expanded training programme for community development workers, the President of the Philippines, in outlining the five-year fiscal plan, had this to say: "I am besieged daily by requests from governors for more community development workers and for an increased coverage by this programme. So far, with six barrios for each barrio community development worker, only 3,422 of our 19,000 barrios, have had the benefit of this vital programme".[31]

Education

The value of education in the development effort is recognized both from social as well as the economic points of view in all the existing ECAFE country plans. The first Pakistan five-year plan, for example, emphasizes that a programme for the improvement and expansion of education is not only necessary to "enlarge rapidly the number of trained persons in the country in order to carry out the various development schemes and to provide the specialized and technical services needed to conduct the activities of a progressive nation, but also the provision of educational opportunities is one of the primary goals of a society believing in equality of opportunity and the paramount worth of the individual".[32]

In setting targets in the field of education, most of the plans had not only to pay attention to the expansion of educational facilities to keep pace with the increase of the school-age population, but also to augment the present level of school enrolment to cover a greater percentage of persons. Usually, the demand is for a greater investment in this programme than the countries can afford. As indicated by the Indian plan, given here as an illustration: "In a period of intensive development, however, the resources to be allocated for education and targets to be achieved are among the difficult issues which have to be faced in drawing up a plan of economic and social development".[33] Nevertheless, in spite of limitations of resources, the aim of most of the plans is compulsory primary education, if not during the period of the plan, then at least some time in the not too distant future.

The Federation of Malaya and Indonesia aim at compulsory primary education by the end of the existing plan periods, that is, by the 1960 fiscal year. The Federation reports that there has been an increase of about 21 per cent in the enrolment of primary school children from 1956 to 1958 in pursuance of that objective. In Indonesia, if the plan is to be fulfilled by 1960, a total of 54,000 primary schools and 150,000 more teachers will be required during the plan period. By 1957/58, Indonesia had a total of 33,453 primary schools, or 62 per cent of the required target. The increase in the number of teachers from 1955/56 to 1957/58 amounted to 41,524, or to only 28 per cent of the target.

India is planning to introduce compulsory primary education by the end of the third plan period in 1965/66. Some progress has already been made; the number of primary schools rose from 58 per 100,000 inhabitants in 1950/51 to 72 in 1955/56. The target for the end of the second plan period is 82 schools per 100,000 inhabitants.

Burma and Pakistan envisage compulsory primary education in the near future beyond the period covered by the existing plans. In Burma, fifteen schools have been established in the suburbs of Rangoon to experiment with compulsory education. Enrolment in primary schools increased by 37 per cent from 1955 to 1958, although the number of schools increased by only 11 per cent in the same period. The percentage of school-age children in primary schools rose to 43 per cent of the total in 1958, from 31 per cent in 1955. The Pakistan plan set a target of 4,000 new schools in West Pakistan and the improvement of 6,000 schools in East Pakistan during the plan period. It is reported that 44 per cent of the target had been achieved by the middle of 1959.

Iran, Japan, southern Korea and the Philippines have introduced compulsory education. In 1947, the period of Japanese compulsory education was extended from 6 to 9 years and has created a demand for increased educational services. Apparently there has been overcrowding of classes in public-managed schools, and the existing plan aims to reduce the ratio to less than 50 students per class. To achieve this in the 1958/59-1962/63 period, 35,000 additional teachers will be required. In the Philippines, a law provides that children must remain in school until they finish the elementary level. However, no information is available in the country statement concerning the actual situation at this time.

In China (Taiwan), it is the policy of the Government to give free primary education to all children from the ages of 6 to 12. It is indicated that increasing enrolments year by year have now resulted in the enrolment of 94 per cent of all children of school-going age.

In southern Viet-Nam, primary school enrolment increased by 94 per cent from 601,862 in 1955/56 to 1,167,988 in 1958/59, and the number of primary classes by 71 per cent, from 13,047 in 1955/56 to 22,327 in 1958/59. The existing plan estimates an increase of 3,300 classes by the end of the plan period (1960/61).

It is reported that there has been an increasing demand in recent years for primary education in British North Borneo, and the Government has been providing more schools annually. It is, however, not always possible for the Government to build school in isolated areas with few inhabitants. One remedy has been the native voluntary schools which serve areas without government institutions.

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31 The Philippines, *The Five-Year Fiscal Plan, op.cit.*, p.65.

32 Pakistan, *First Five-Year Fiscal Plan, op.cit.*, p.539.

33 India, *Second Five-Year Plan, op.cit.*, p.500.

In Singapore, the educational system provides free but not compulsory primary education for children six to twelve years old. A ten-year plan for expansion of school buildings based on the 1947 Census was found, by 1950, to have underestimated the actual population involved. Out of 133 school buildings and eight extensions planned for the 1950-1958 period, 113 schools and seven extensions were actually built.

Another problem faced by most of the Asian countries is that existing educational systems are oriented towards an academic type of education in which the amount of technical training is minimal. Development plans, therefore, have tried to increase the amount of technical training offered at the post-primary as well as the university levels.

In Burma, although there is increasing enrolment in the technical training schools, artisan training institutes and teacher training schools, the number of institutions for these subjects did not increase from 1955 to 1958. In China (Taiwan), the number of vocational schools, as well as enrolment in them, have been increasing. The Federation of Malaya plans to increase the number of practical subjects in its school curriculum. In India, the curriculum of 353 schools has been expanded to include technical subjects in 1955/56. The target of the second five-year plan is to have 1,550 such institutions by 1960/61. At the end of the first plan period in 1955/56, the capacity of technical institutions was 5,937 students for degree-level training, and 9,397 for diploma-level training. The second plan aims to increase these capacities to 13,035 and 24,547 respecively. In Indonesia, the number of technical schools has been considerably increased in keeping with the emphasis on technical training in the existing plan. At the higher level of technical education, however, actual achievements are greatly below the targets. The plan envisaged 7,775 engineers and technicians in the five-year period but in 1956-1958, only 537 persons were graduated from the five science faculties. The plan aimed at 1,070 doctors by 1960; only 249 doctors, or 23 per cent of the required number, graduated in 1956-1958. The development of vocational schools is of recent origin in Iran. There are forty-eight agricultural schools. In addition, about 5,000 students attend vocational courses in metal-work, carpentry, masonry and textiles. In southern Korea growing emphasis has been placed on scientific and vocational education in recent years. Carpentry and general mechanics are taught at the vocational school in Jesselton in North Borneo. In Pakistan, 7,000 primary school and 1,600 secondary school teachers are turned out annually. The two polytechnic institutes provided for in the plan have already been established. The number of engineers graduated annually is about 400—about 30 per cent greater than in the pre-plan period. There are two vocational schools in Singapore, one of which teaches in English and the other in Malay. They offer three-year pre-apprenticeship courses. In southern Viet-Nam, increasing numbers of students are attending technical schools and institutes; the increase was about 65 per cent between 1955/56 and 1958/59.

In brief, progress in primary school education is not unsatisfactory in most of the ECAFE countries with development plans. The same cannot be said for technical training and education. As technical training is a basic requirement for rapid economic development, more emphasis must apparently be placed on this subject in coming years in order to achieve balanced social and economic development.

Health and nutrition

In formulating development plans in the region, planners have taken stock of prevailing conditions in their respective countries to gauge health and nutritional needs. One of the major needs is the improvement of rural health by environmental sanitation, for example, as the majority of Asian peoples live in rural areas.[34] Second in importance is the control and eradication of long-standing diseases such as malaria, yaws, tuberculosis, venereal diseases and other infectious maladies. Thirdly, there is a need to improve existing medical facilities, such as hospitals and equipment, and increase the number of medical technicians, doctors, nurses, midwives, etc.

Among rural health improvement measures, mention may be made of rural health stations, including maternal and child health clinics. With few exceptions, the plans call for an increase in the number of such services. In some countries, however, they are in the initial stages. In Indonesia, for example, the five-year plan made only limited provisions for rural health, and in 1958, eight pilot rural health projects were established. The target is to have twenty in five years. It may be noted, however, that Indonesia has more than 1,600 maternal and child health centres at the present time. The Federation of Malaya has also just started to establish rural health centres.

In Burma, China (Taiwan), India, Japan, Pakistan, the Philippines and southern Viet-Nam, rural health centres of one kind or another are already well established. For example, in Burma, the welfare state plan called for 800 rural health centres. Up to June 1959, 478 such centres — most of them fully staffed — were in existence. Apparently, however, planned targets are not being met in other countries, such as Pakistan. The Japanese plan aims at a full coverage health insurance programme for the nation as a whole. It is, however, reported that Japan still lags behind other industrial countries in respect of environmental sanitation.

Considerable attention is paid in plans to the control and eradication of widely prevalent diseases. For lack of space, only the malaria control and eradication programmes can be reviewed.[35] In Burma, the DDT campaign has now covered 9.5 million people, or about 46 per cent of the country's population. The Federation of Malaya reported a marked decline in the incidence of malaria as a result of its DDT campaign. In India, what was originally established as a malaria control programme has been renamed the malaria eradication programme. It aims at concerted action in all known malarial areas. In Iran, the Plan Organization, which

[34] It is also realized that, with increasing urbanization, urban health facilities should be improved. Traditionally, urban facilities in this respect have been better than in rural areas, but, as the urban population is increasing in most cases at a higher rate than the rural population, there is a great deal of pressure on existing facilities.

[35] See *infra*, section on "Planning the pattern of public social expenditure," pp.43-45.

derives its resources from the oil revenues of the Government, pays for the malaria eradication programme, which is being carried out systematically throughout the country. British North Borneo started its malaria control scheme in 1955. The malaria control and eradication programme of the Philippines is reportedly progressing according to plan. The need to intensify the campaign in East Pakistan has been acknowledged by the Pakistani planners. In the case of China (Taiwan), it is stated that malaria has more or less been eradicated. Indonesia reported that it bad exceeded the target set in the five-year plan. The plan was expected to cover 17 million people by the end of 1957; almost 18 million people had been covered by that date.

Almost every country in the ECAFE region has plans to increase the number of hospitals, doctors, nurses and other health technicians. In most cases, the targets of the plans are not being met, in spite of increases in these services. To give two examples, the Indonesian five-year plan had hoped to establish 4,500 polyclinics by the end of the plan period. In 1958, there were 3,572 such clinics. The annual increase is 200 such clinics and therefore the target will not be met by the end of the plan period. Pakistan has also reported that progress in the field of health has been far below the plan targets.

In the field of nutrition, it appears that most Asian countries have a more or less adequate intake of food from the quantitative point of view, although the qualitative requirements are not met. Except in Japan, where there has been a marked improvement in the quality of the food consumed because of a rise in *per capita* income, other Asian countries need to find a way of inducing their population to follow a more balanced diet. For this purpose, a number of countries have instituted research programmes which should help in planning for further improvements in the nutrition levels.

Although the health targets in present plans have not been met in many cases, the health of Asian peoples has improved in recent years. Death rates in all these countries show declines. Some Asian countries, such as Ceylon, China (Taiwan), the Federation of Malaya, Singapore and Japan, show mortality rates comparable to those in developed countries.[36]

Housing and regional planning

Most of the plans are in agreement that, for the majority of Asian countries, the problem of housing is much less serious in the rural areas than in the fast-growing urban areas. In view of this rapid urbanization, some of the plans (for example, that of India) suggest regional planning and planned location of industries.

Under Burma's present plan, nine housing projects have been completed in Rangoon. Thirteen other towns also have housing projects under construction at this time. China (Taiwan) reported an increase in housebuilding activity. The National Housing Construction Committee was established to plan and implement a programme of low-cost housing. India's second five-year plan launched three new programmes—rural housing, slum clearance and sweepers' housing, and middle income group housing. As urban population is increasing at a faster rate than housing, it is estimated that the housing shortage at the end of the second plan period in 1960/61 will be double that in 1951/52, when the first plan started. Although the second plan provides for an investment in housing programmes which is three times the amount provided in the first plan, it is feared that the target of 1,000,000 houses will not be reached, because of rising costs and shortage of materials. There was no large-scale programme for housing in the Indonesian plan but, owing to rapid urbanization, city planning projects have been embarked upon for Djakarta, Surabaya, Bandung and other cities. In the rural areas of Indonesia, co-operative housing has made a start; in 1956/1959, 3,051 houses were built by 141 housing co-operatives. It is estimated that from 30 to 50 per cent of the urban population of Iran live in slums or in overcrowded dwellings. An attempt has, therefore, been made to develop low-cost housing programmes in cities, but very little seems to have been accomplished so far. In Korea(southern) the housing shortage has been estimated at some 354,000 units. Efforts are made to meet this deficiency by the building of "reconstruction houses" with the aid of foreign funds and selling them to the public on an instalment basis. In Pakistan, the housing situation has been aggravated by the refugee problem in the cities. The first five-year plan makes provisions for new and improved housing for different income-level groups, as well as the improvement of refugee colonies. The planned targets are to construct 250,000 units of residential buildings, of which 55,925 units were built in the period 1955-1959; to build 22,140 new houses (29,345 was the actual figure) and to construct 78,100 nucleus[37] houses (18,029 built). Therefore, except in the case of new houses, the targets were not met. In the Philippines, the Government has established the Philippine Homesite Corporation for low-cost housing. An estimate made in 1953 indicated that, in Singapore, an annual increase of 10,000 permanent housing units was necessary for twenty years to solve the housing problem. This was an understimation, because the population data was based on the 1947 Census. The best rate so far achieved is slightly more than 6,000 permanent units in a recent year.

Labour and employment

Labour welfare provisions are regarded in all the existing Asian plans as a prerequisite for industrial development. In fact, in some of the countries of the region, labour welfare began to develop before the Second World War. Present plans only make provision for strengthening available services or for giving new impetus to often neglected measures. One of the primary objectives of many of the current plans is to expand employment opportunities. India, Japan, and the Philippines, for example, underline this aspect in their existing plans, which include provisions to expand the labour force during the plan period.

Health and safety provisions for workers in different industries exist in Burma, China (Taiwan), India,

[36] See "Population Trends and Related Problems of Economic Development in the ECAFE Region", United Nations, *Economic Bulletin for Asia and the Far East*, Vol. X, No. 1, (June 1959).

[37] Classification used in the Government's statement on status of and plans for social development in Pakistan.

Indonesia, Japan, Pakistan, the Philippines and southern Viet-Nam. But in many cases these provisions may not have been fully implemented, and the need for improvements in this regard is admitted. Thus Indonesia, for example, feels that it should have a labour law, and efforts are being directed to that end. Pakistan proposes to strengthen the factory inspectorate. In India, the scope of the Statutory Employees State Insurance, as well as of the Provident Fund schemes is being gradually extended. The Employees State Insurance is expected to cover the entire 2.2 million insurable workers in factories by the end of the second plan period. In Iran, a labour commission, consisting of representatives of the Government, employees and workers is appointed every two years to consider changes in the labour welfare provisions. In connexion with the existing plan's objective to raise the national level of living, Japan will enforce, in 1959, a minimum wage law apparently covering all types of workers.

The plans of the above countries also have special provisions concerning the welfare of child and woman workers.

It is difficult to assess the progress made in the above fields in the implementation of plans. Only Pakistan reported that the performance in this sector since 1955 had been extremely poor. It stated that slackness in reducing labour discontent and improving labour efficiency is seriously impeding the planned programme. Burma and India reported the establishment of an increasing number of labour welfare centres.

In the field of employment, there is a growing awareness of the need for providing new job opportunities for the increasing labour force of Asian countries. The plan of China (Taiwan) estimated that it would be necessary to create about 100,000 jobs annually to keep pace with the growth of population. Employment agencies and similar organizations have been established for the purpose. The Indian plan makes expansion of employment opportunities one of its major objectives. It accordingly lays stress on the development of consumer goods production in the small-scale and village industries sector, and on other labour-intensive techniques. It is estimated by the Government that 80 per cent of this target will be met by the end of the second plan period. Japan is another country which aims to increase employment so as at least to absorb additions to its labour force under its new long-range economic plan. This will require the creation of nearly 5 million jobs during 1956/57 — 1962/63. Apparently the number of jobs available is keeping pace with the increase in the labour force at this time. In the Philippines, about 600,000 persons were unemployed in 1957. The three-year programme's main objective is the creation of 950,000 new jobs by the end of the plan period. If this is achieved, the unemployment mentioned above will be absorbed. The Vietnamese plan makes provision for creating new jobs in order to achieve full employment. There are about 300,00 unemployed in southern Viet-Nam. It is proposed to meet this problem by, *inter alia*, extending the acreage under cultivation, redistributing land and developing industries which will use the raw materials available from the country's agricultural production. Burma has established labour exchanges in a number of towns under its plan.

Social welfare

The plans under consideration are in general agreement that there is a need to develop social services in Asian countries concerned. In many countries, social services had, in the past, been initiated by private organizations. When the plans were being formulated, governments proposed to take greater responsibility in this field than they had done in the past.

In Burma, the capital expenditure under social welfare will be used mainly for (1) programmes of rehabilitation of war veterans and (2) for the establishment of children's homes. Voluntary social welfare institutions are subsidized by the Government, and efforts are made to raise standards of care and treatment under the existing plan.

In China (Taiwan), the public insurance scheme has been extended. Since 1958, the scheme has covered not only labour in factories and mines, fishermen, sugarcane farmers, but also government employees, who can obtain disability, sickness, death, maternity and old age benefits.

India's second plan provides about twice the outlay for social services as the first plan. These include welfare schemes, such as welfare extension scheme for villagers, particularly women and children, improving social defence services (after-care homes, probation, etc.); provision of homes for beggars; training and rehabilitation of the physically handicapped; organization of youth camps, labour and social services in universities, etc.

In Indonesia, the five-year development plan provided for the improvement of child and maternal welfare. More children's homes were proposed. Preventive measures for prostitution were instituted, and a campaign against traffic in women started. Indonesia has established 12,000 village social institutes, which give social guidance to the people in the villages with a view to developing resourceful communities.

The Government of Iran assumed responsibility for social welfare work when the administration was reformed thirty years ago. The public bodies concerned run different institutions, such as hospitals, dispensaries, nurseries, orphanages, schools for training nurses, clinics for counselling, etc. The Government has supported a limited social insurance programme since 1931 operating in the cities, and excluding handicraft and agricultural workers. Other social welfare programmes include aid to dependent children and old persons.

The policy of the Government of North Borneo is to foster the efforts of the voluntary organizations in the field of social welfare. The Government runs two institutions for the aged and indigent.

Pakistan indicated in its plan that, while allocations for social welfare were modest, the main purpose was to provide a new approach to the problems. Its targets were the training of 500 social workers; research in social fields, and improvement and establishment of correctional institutions. So far, only 72 social workers

have been trained by the social welfare department of Punjab University in Lahore. In 1959, a new school of social work opened in Dacca, East Pakistan, giving short-term courses.

In the Philippines, social welfare questions are dealt with by the Social Welfare Administration. This government agency has outlined plans for improving existing systems of public assistance and child welfare and vocational rehabilitation. There is a proposal to experiment with foster-home care.

The Singapore Government's social welfare programme consists of (*a*) public assistance scheme; (*b*) TB treatment allowance scheme; (*c*) institutions — hostels, approved schools for juvenile delinquents, homes for destitute children and old persons and approved homes for juvenile prostitutes; (*d*) children's social centres; (*e*) probation; (*f*) care and protection of women, girls and children; (*g*) counselling and advice service for marital, domestic and other disputes, and (*h*) emergency welfare services for civil disasters.

The five-year plan of southern Viet-Nam has made provision for the establishment of six new day-nurseries; ten maternal and child welfare centres; two rehabilitation centres, and the training of forty social workers and 100 auxiliary workers. The Government also aims at the abolition of prostitution.

This review of the implementation of some specific social programmes of the existing Asian plans is far from complete. In spite of its limitations, however, the present study shows that many of the targets in the social field which were apparently planned in relation to programmes in other sectors, have not been achieved. But the experience gained in their implementation will, no doubt, guide the governments concerned in their efforts to obtain a more balanced social and economic development in their future plans.

III. INTERRELATIONS OF ECONOMIC AND SOCIAL DEVELOPMENT

Social pre-requisites to economic development

Motivation

It is generally agreed that the pace of economic growth is, in the first place, determined by the internal economic and social forces in a given society. And, in this context, "subjective factors", historical conditions and cultural values play an important role in shaping the attitudes affecting economic growth in different countries.

Societies differ widely from each other as to the extent to which their members seek out and exploit economic opportunities. There are differences between groups in the same country and between patterns of behaviour in the same country at different stages of history. These differences may be traced, according to W. A. Lewis,[38] to three different causes, namely, the differences of valuation of material goods relative to the effort required to obtain them, differences in available opportunities, and differences in the extent to which institutions encourage effort, either by removing obstacles in its way, or by ensuring appropriate rewards. Needless to say, the attitudes and the institutions are not independent of each other; we have to separate them only for purpose of analysis.

Those aspects of social and political behaviour believed to be directly relevant to the level of output and the rate of economic growth can be summarized, as has been done by W. W. Rostow, in terms of a number of "propensities".[39] These propensities represent the sum of the complex response of a society to changes in income and/or in profit possibilities; but they are themselves determined by a much wider range of forces in which the long-run course of income is one among possible variables. The use of the concept of propensities involves a frank abandonment of the effort to make economic behaviour solely a function of what are conventionally regarded as economic motives. The propensities exhibit the extent to which the actual economic decisions of a society deviate from those which would obtain if "economic" motives alone were operative.

Attempts have been made by other thinkers to isolate some of the most general variables relevant to human behaviour in relation to economic development, to the orientation of man in his society.[40] Cognition tends to vary from the irrational to the rational, from superstition to reason. In terms of the role of the individual in the society (membership), development causes or reflects a change from particularism (or in Parsons' terms from ascription) to universalism (or achievement). Under the former, the individual's position (status) in the society is determined by his family, caste, class; under the latter, it is a result of his achievement, of his capacity to fill a given role. Substantive relations may vary from the diffuse, in which the obligations of people to one another are undefined, to the specific, in which they are spelled out in one or other kind of contract.[41]

The analysis of the social-structural aspects of the differentiation between "advanced" and "under-developed" economies might be summed up by saying that the former exhibit predominantly universalistic norms in determining the selection process for economically relevant roles; that the roles themselves are functionally highly specific; that the predominant norms by which selection for those roles is regulated are based on the principle of achievement (or "performance"). In the

[38] Lewis, W.A.: *The Theory of Economic Growth*, (London 1955), p.25ff.

[39] Rostow, W.W., *The Process of Economic Growth*, (Norton, New York; 1952).

[40] See T. Parsons and E.A. Shils (eds.), *Toward a General Theory of Action*, (Harvard University Press, Cambridge Mass.; 1951); M.J. Levy, *The Structure of Society*, (Princeton University Press, Princeton, N.J.; 1952); Bert F. Hoselitz, "The Social Structure and Economic Growth", in *Economia Internazionale*, Vol. II, No. 3, (1953). Using a slightly different terminology, Parsons and Levy have indicated that in the process of historical development of societies certain more or less general trends can be observed in such categories as cognition, membership and substantive relations.

[41] As Sir Henry Maine put it half a century ago, "the movement of progressive societies has hitherto been a movement from status to contract"—and this definition seems to be universally valid for both capitalist and socialist societies of the present day.

under-developed society, on the contrary, particularism, functional diffusion, and the principle of ascription predominate as regulators of social-structural relations especially in the economic dimension.[42]

The above patterns of behaviour materialize in the family structure, class and caste system, state organization and other institutions, and ideology (which includes religion as well as other expressions of the cultural value system of a given society).[43] Each of these elements has its bearing on the economic process, and is in turn determined by it.

Family structure

In most under-developed countries, the term family has a different and much wider meaning from what it has in more industrialized societies. The term usually embraces many more distant relatives and kinsmen and in many ways relates to a group more similar to a clan than a family in the modern sense. The institution of the "extended" or "joint" family is a common feature of a subsistence or near-subsistence economy. In such a society, surpluses can hardly be marketed. Wide personal obligations act as a form of insurance under conditions in which most people have little or no reserves. The larger the number of people who have recognized obligations to contribute their surplus, as well as rights to share in the surpluses of others, the more effective is the insurance. Sometimes even a moderately prosperous man may find that he has scores of relatives to provide for. In a sample survey in East Pakistan, it was found that 78 per cent of the workers have extended families with dependents other than wife and children.[44]

An extended family often presents a serious obstacle to economic progress. It may undermine incentives to work, as the individual may feel that only a small part of his own earnings will accrue to him, and as he can count on being provided with the means of subsistence at a level not very different from that of the majority of his kinsmen, including the more energetic, thrifty and able. The system reduces incentives to personal saving, and often acts as a serious brake on the mobility of labour. It is also highly conducive to nepotism. Lastly, it may minimize the right to bequeath, which is sometimes a considerable economic spur.[45]

But, even when speaking of these archaic forms of family organization, one should avoid drawing categoric conclusions. Family business, based on large family groups, has often proved to be rather effective both in the West (for example, Italian banking families, or the Rothschilds) and in the East. It may also play a considerable role in permitting a less developed society to adapt itself to new technical activities: maximum use can be made of available spare time, and new tasks can exceptionally be undertaken without a need for the prior mastery of such complications as hiring labour or keeping accounts.[46]

A change in the pattern of family organization has actually been observed to accompany all instances of far-reaching economic growth. It may be argued that the abolition of certain aspects of the traditional joint family is necessary, because, with them, the demands of the new economic order cannot be adequately met. However, the dissolution of old family ties is not a sufficient condition for economic growth; it may result in social disorganization, the creation of non-productive "marginal" individuals who cannot adjust themselves to new conditions.[47]

Class structure

The class structure reflects the mode of production and distribution of goods and services in a given society. Beyond primitive levels, one feature is sufficiently general to serve as a point of reference for this analysis of the class structure typical of preindustrial societies. This is the dominance of an essentially two-class system, with the upper class, while not participating directly in the productive process, enjoying the prerogatives of political power and usually also religious prestige and functions, and the lower class consisting predomiantly of peasant tillers of the soil and, to some extent, of craftsmen and petty traders, all rigidly bound by a traditional status. This generalization must, of course, be qualified in a number of respects. For example, the irrigation and water-control of many river-valley civilizations was directed by the upper class. Another important type of qualification must be made for the role of 'interstitial' elements, which do not quite fit into this dichotomy—a notable case is the combination in Japan of some of the Samurai and the mercantile elements, which became the spearhead of the forces that overthrew the Tokugawa regime. Still another type of variation is provided by the case of India. Here the variegated patterns of the caste system have operated in the past primarily as a powerful sanction of traditional fixation of economic behaviour. This, at least in Parsons' opinion, is not a simple two-class system.[48]

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42 Levy notes that particularism, which had found one of its highest expressions in the Chinese family, was missing from the Chinese civil service, which was open to competitive examination. Kindleberger states that the converse might be sometimes true in developed countries, where it is expected that the best man gets the job, but the best man frequently turns out to be the boss's son. (C.A. Kindleberger, *Economic Development*, (The McGraw-Hill Book Company, New York; 1958), p.58).

43 The ideological and cultural factors relevant to economic and social development are extensively discussed in the working paper on "Some Socio-Cultural Factors in Economic Development" (E/CN.11/DPWP.5/L.4), prepared by the UNESCO Research Centre. The discussion here is therefore confined to the functional and institutional aspects of the social structure.

44 But, interestingly enough, the size of an extended family tends to decrease with the length of service of the worker in the factory. Thus, for workers with less than 4½ years of service, the average number of dependants other than wife and children is 4.5, but this number falls to 2.0 for workers having 14 to 19 years' service. Workers living away from their families send part of their wages to their families in the village home (36.3 per cent of average income), and many workers buy clothes and other necessities for their family when they go home on a visit. (Professor Nguyen Cao Hach, *Brief Considerations on the Social Implications of Industrialization in Certain Areas of Southern Asia and the Far East*, (mimeographed), p.16).

45 See W.A. Lewis, *op.cit.*, p.115.

46 Hirschman, A.O., *The Strategy of Economic Development* (Yale University Press, New Haven; 1948), p.9.

47 Hoselitz, B.F., Social Structure and Economic Growth, in *Economia Internazionale*, Vol. VI, No. 3.

48 See T. Parsons, "Institutional Framework of Economic Development," in *The Challenge of Development*, The Eliezer Kaplan School of Economics and Social Sciences, The Hebrew University (Jerusalem; 1958), p.123ff.

Class structure establishes legal, or customary barriers to the mobility of factors of production and, in particular, of labour, while if one were to try to sum up in one word the institutional requirements for economic development it would be mobility.[49] Property rights, consumer goods and labour must be freed from traditional bonds and restraints, from aristocratic traditions, quasi-feudal arrangements, paternalistic and other similar relations. One of the preconditions of economic progress in Western Europe was the overthrow of the feudal social order and of all (or most) social barriers connected with it. And not only institutions had to be changed but also value systems which had evolved on the basis of a given class structure ("Gentlemen do not indulge in trade" in medieval Europe or traditional China). A caution may, however, be necessary; the term "feudal" is rather vague and may have different connotations in different parts of the world (e.g. the characteristic features of what is usually called feudalism in Western Europe and in old China seem to be markedly different). Secondly, certain survivals from a feudal order do not necessarily present an insurmountable obstacle to economic development (as shown by the cases of Japan during the Meiji era or Germany until the close of the First World War), so long as development programming can be implemented by the presence of an effective central government.

Certain students of history believe that a "dissenting" or oppressed group or class is usually the main promoter of economic development. An "out-group" or marginal group has to break new ground to assert itself, and often becomes the carrier of new modes of production, the standard-bearer of a new economic and social order, the Schumpeterian innovator.[50] This was the case with the Dissenters in Britain, the Samurai in Japan, the Parsees in India, the Jews in many parts of Europe, Chinese and Indian emigrants in southeast Asia, and so on. The spirit of enterprise and adventure of these groups that had no vested interest in the official value schemes of the society was often an invaluable asset, and one wonders whether a social order which has had to produce dissenting movements of protest has not, under certain circumstances, provided a propitious environment for new departures. However, "the long sequence of radical social changes which constitute the transition, probably occurs not merely by action of deviant individuals, but only when some sizable group within the society exerts great energy toward that end. Only groups that are 'sub-ordinated' or fear subordination will do so".[51] This applies also to a large section of the upper strata of under-developed countries after the Second World War, as they increasingly come to understand that the independence of their countries and their own future depended on successful economic development.

Property systems and property relations are the basis on which the class structure of a society evolves. The legal concept of property is enshrined in all economies — capitalist, socialist, feudal or otherwise. Property systems and their legal framework may profoundly influence (positively or negatively) the pace of economic development. Capital formation, as well as incentives to work, will depend to a very large degree on the security offered by law as well as on the beneficiary of the product of property and labour.

Problems relating to the mobility of capital and labour, to the ownership of the means of production, and to the distribution of the final product among the different factors of production, are of particular importance in the sphere of agriculture. The defects in the institutional framework of agricultural production are among the most widely recognized obstacles to economic development.[52]

Land reforms of different scope and character have already been undertaken or are actually in progress in most countries of the region. Most of these reforms have been conceived as a more or less radical change in the framework of the old social order. They certainly provide new incentives for peasant masses in many parts of the region, but it is still too early to evaluate their general impact. As a rule, these reforms tend to improve the livelihood of the peasant producers, and are apt to reduce social tensions (at least for some time), but certain of their usual economic and social effects may be questionable. Land reforms, as they are often conceived, may lower production, increase peasant consumption, reduce supplies available for shipment to the city and for export, and sometimes cut down capital formation. The splitting up of large estates into small holdings may be uneconomic. The majority of holders may receive plots smaller than optimum size. Small holdings may limit the application of capital to land, and, through the low incomes of peasants, hold down accumulation of capital. Lack of capital restricts capacity to shift from one crop to another.[53] These facts, however, simply indicate the need when large estates are broken up, to take measures designed to increase productivity, and do not deflect from the positive economic value of the land reforms. Absentee landowners usually undercapitalize their holdings. Where the size of the farm is not modified, and tenancy merely changes to ownership, the peasant is liberated from a burdensome rent. The peasant-owner may develop a new enterprising attitude, and a more favourable general atmosphere for economic development may be created.

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49 Moore, W.E.; *The Social Framework of Economic Development with Reference to Latin America*, (mim.) UNESCO, 1956, p.15.

50 See Hagen, E.E., "The Process of Economic Development," *Economic Development and Cultural Change*, Vol. V, No. 3, (April 1957).

51 *Ibid.*

52 United Nations, *Land Reform—Defects in Agrarian Structure as Obstacles to Economic Development* (New York, 1951); Papers of the ECAFE Working Party on Economic Development and Planning (third session), *Economic Bulletin for Asia and the Far East*, Vol. VIII, No. 3, (November 1957).

53 Kindleberger, *op.cit.*, p.225f.

But a note of warning should be sounded against the strengthening of conservative, traditionalist trends through the fostering of small peasant proprietorship.[54] Economic development plans which combine industrialization with an extension of traditional or near-traditional forms of agriculture are creating a dilemma which in the long run may have serious repercussions on the speed and facility with which ultimate developmental objectives can be reached.[55]

The role of the state

The economic development of contemporary under-developed areas is not spontaneous—it is predominantly an induced process. The main actor in this process is undoubtedly the state. While industrial revolutions in the West could not have occurred without the liberation of private enterprise from certain types of (feudal) political control, political authority is now usually necessary to facilitate economic development. Indeed, under certain conditions, far from obstructing the process, state intervention is likely greatly to facilitate it.[56] Even more, the state often seems to be the only mechanism in the under-developed areas capable of removing many obstacles to development, mobilizing the indispensable resources, allocating them efficiently and paving the way for economic growth. The pace, direction and character of development will depend to a large measure upon the character of the state and government, upon the organization and efficiency of the state machinery.

The state is not an autonomous organization, it is a "variable collectivity of variable elements, constituting, just as does the economic system, a major component of the all-inclusive societal system".[57]

The role of the state varies with the nature or character of the dominant social system. The capacity of the state to accomplish certain goals (such as development plans) will depend upon factors which reflect the level of the society and its economy, such as the quality of the administrative and technical apparatus employed by the state, as well as upon the degree to which the aims set by the state are compatible with the aspirations of the population or of its more powerful sections, i.e. upon the extent to which the masses of the population are willing to support them. Administrative and technical skills at the disposal of the government are often one of the most obvious bottlenecks in the planning of economic development. On the other hand, if the development policy of the government is not understood by considerable groups of the population, or if the population is not ready or willing (at least passively) to support it, austerity measures, or appeals to join voluntary labour schemes or any kind of community development projects, may prove extremely difficult to implement.

Consumption-saving patterns

There is almost general agreement that a successful take-off into self-sustained growth requires an increase of the share of capital formation in the national income of many under-developed countries from approximately 4-5 per cent to 12 or even 15 per cent.[58] A comparably high rate of investment is the main lever of economic development. Apart from the inflow of foreign capital, this high rate of investment can be based only on a correspondingly high rate of domestic saving.

To a large extent, the rate of saving is a function of the level of income as well as of income distribution, but there is no simple correlation between changes in income and the rate of saving. It has been noted that development may, in certain situations, lead to an increase in the marginal propensity to consume, as it affects aspirations more than output. Inherited value systems, and general social and political conditions may influence the propensity to consume or the propensity to save, and may act on the time-preference of the receivers of income.

As saving means delayed consumption, saving is obviously much more difficult in low-income countries where the vast majority of the population lives on the brink of subsistence, than in the more prosperous countries. The attempt to modify the consumption-savings pattern in low-income countries must therefore be limited in scope. Yet a high degree of austerity (combined with a "will to economize") is a necessary condition for economic progress. Attempt might be made to reduce the consumption of the usually not very numerous leisured classes. In many countries, there may be some room for the reduction of certain types of government expenditure. In the last resort, and only as a result of a sustained education effort, some wasteful consumption of low-income strata (money spent on festivals, sumptuous weddings and other similar purposes) might be gradually channelled into more productive uses. Most of these measures would, of

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54 A student of developments in Mexico (S.A. Mosk, *Industrial Revolution in Mexico*, Univ. of California Press, Berkely, 1950) believes that the rapid rate of growth in income after the second World War in Mexico is largely due to the break-up of the feudal pattern of society in the 1911 revolution and to the subsequent changes in the agrarian structure. On the other hand, Professor Moore thinks that the Ejido, although "it alleviated the immediate economic ills of the Mexican rural population ... did make possible a re-establishment of the partially isolated village, agricultural under-employment, and all the conservative traditions of land-hungry peasantry". In his opinion, the Ejido has been an essentially conservative move; that is, the possible increase in market orientation, improved education and productive techniques seems to have been offset by the re-establishment of the traditional village. (*Industrialization and Labour*, Cornell University Press, Ithaca and New York, 1951, p.238). Professor Hoselitz shares his views, and believes that the strengthening of small scale agriculture reinforces the system of values which have flowered into great cultural achievements in the past, but which it has been impossible to adapt to rational, efficient economic activity.

55 Hoselitz, B.F., "Social Implications of Economic Growth," *The Economic Weekly*, (February 21, 1959), p.283-4. Hoselitz is, therefore, also critical of rural resettlement (he mentions explicitly the resettlement in the Philippines from Luzon to Davao, or in Indonesia from Java to the Outer Islands, and we might add that the situation is similar in respect to southern Viet-Nam—i.e. resettlement in the highlands and some parts of the Delta area), believing that such a policy gives a new lease of life to only the traditional agricultural way of life with its pre-industrial and non-rational aspects (in Max Weber's sense) and makes industrial progress even more difficult. In fact, this is only one of the many areas where short and long run objectives of economic development may clash and it shows plainly the intricate causal interrelationships between some social, cultural and economic factors.

56 Parsons, T., "Institutional Framework of Economic Development," *op.cit.*, p.123.

57 Spengler, J.J., "Social Structure, State, Economic Growth" in *Economic Growth: Brazil, India, Japan*, Durham N.C., 1955, p.370ff.

58 Lewis, W.A., *op.cit.*; Rostow, W.W., "The Take-off into Self-sustained Growth", in *The Economic Journal*, Vol. LXVI, 1956, p.30.

course, represent a diminution of welfare (or at least of traditional satisfactions), and would inevitably be considered by a section of the society as entailing sacrifices.

A change in the consumption-savings pattern in a direction conducive to economic growth, therefore, can only come about as a result of considerable change in the social environment and the system of values. It requires a specific development-minded attitude on the part of the leading sections in the society, specific action by the government, and represents, almost always, a challenge to vested interests and old habits. It might also call for new social and economic institutions designed to foster savings. More fundamentally, since it is not possible for the contemporary less developed countries to rely mainly on the classical way of maximizing private profits in order to effect maximum savings, the state must bear the principal responsibility for mobilizing domestic savings, for example through taxation, deficit financing, compulsory and voluntary loans, and so on. By taking over such tasks, the state can most actively reshape the entire social structure. Much of this change in the social structure will depend on the character of the state itself, on the leading forces in the state and government, but much of it will also be a more or less unconscious, unsought-for effect of planned development. And, the more successful the implementation of the development plan, the greater will the transformation of the entire society have to be.

However, redistributive measures alone can hardly be relied on to achieve a significant increase in the aggregate savings in any under-developed economy. At the starting point of development, it is, in most cases, imperative to increase the aggregate output of the society through the mobilization of idle resources, and then to save a greater share of that output. At the prevailing level of technology, it is possible, particularly in countries with an excess of rural population, to use disguised unemployed labour for capital formation, especially for labour-intensive construction projects.[59] Again, in under-developed countries with a favourable land-labour ratio, it might be possible to extend agricultural production without too much new investment, and thus obtain a surplus for capital formation. In most under-developed areas, there is also a reserve army of town-dwellers who exist as hangers-on, servants, messengers, pedlars, but who are, in fact, unproductively occupied or under-employed. Through better organization, through new and more productive combinations of factors of production, a sizable increase of output might thus be achieved in most countries; however, this would, of course, require even more far-reaching social and political changes than a mere redistribution of income. It would require increased mobility of labour, willingness to work in new industries, the introduction of new crops, and so on. If, eventually, an increase in output is obtained, the main task of the leading sectors in the society will be to ensure that a high proportion of the income increment is saved. It is, however, an extremely difficult task (and a task which requires strong and determined leadership) to limit consumption, since labour and entrepreneurs require additional incentives in order to increase output, and particularly since the international demonstration effect (in the desire to imitate the way of life of more developed countries) tends to create new wants.[60]

Thus the general consumption-saving dilemma is one of the major occasions of conflict between social claims for increased welfare and the requirement of economic development pressing for an increasing rate of savings and capital formation.

Social prerequisites to economic development

It is particularly difficult to assess the so-called social cost of economic development (the price society has to pay for progress through the disruption of ancient ways of life and patterns of authority) in the period of transition, i.e., before a new, modern social structure has been more or less firmly entrenched.

Impact on the countryside

The impact even of a geographically remote industrial activity, may be profoundly felt by the rural population as creating a demand for industrial goods, disrupting the subsistence economy and fostering a shift toward cashcrop farming. As a sult of increasing market orientation and a decreasing self-sufficiency, the peasant producer may (but need not) achieve higher levels of living, but at the same time he usually loses much of his self-reliance. Many agricultural areas are better or worse off, "according to the prices of the vegetable oil, coffee, cocoa or timber in New York, Liverpool, Havre, Rotterdam or Hamburg".[61] And, while in many parts of the world, industrial workers have secured at least some kind of social protection, the small peasant producers have largely been left without any defence against the vagaries of the world market.

The Indian author, Kewal Motwani, deplores the disruption caused by the absorption of the Asian village into the commercial economy:[62]

> "Production for export and profit substituted competition for co-operation, individual ownership for communal and village ownership, money economy for barter and created the money-lender. . . . The village which was the basic economic and cultural unit of these people came under the disrupting forces of technology. Its self-sufficiency disappeared and it became tied up with the city, the nation and the outside world. Village industries, such as spinning and weaving, pottery, brassware, oil pressing, vegetable dyes, lacquer work, etc., languished; machine-made goods, such as aluminum wares, kerosene, textiles and synthetic dyes took

59 As, for example in, mainland China.

60 The advantages, alleged or otherwise, of Japanese development during the Meiji era, when new technology was introduced while traditional patterns of living were retained, or of the centrally planned economies which resort to austerity to promote savings for development, might be worth while considering.

61 Henri Labouret, *Paysans de l'Afrique Occidentale*, (Paris, 1941), p.288.

62 Kewal Motwani: "The Impact of Modern Technology on the Social Structure of South Asia", *International Social Science Bulletin*, Vol. III, No. 4, 1951, p.785.

their place. A superfluity of cheap manufactures displaced the craftsman, depriving the group of his hereditary skill. The rooting of the farmer to his soil and of the craftsman to his hereditary calling had produced a sense of social solidarity, an *esprit de corps*. But with the disruption of the ecological balance, all this disappeared, rendering the populace mobile, restless, shiftless. The villalge, which was formerly a family, became transformed into an adjunct of the factory, a mob."

All this disruption is part of the "social cost" of development, and, at least theoretically, it might have been possible to arrange for some sort of modern community development schemes to supercede the ancient forms of village mutual help—thus rendering the transformation somewhat less painful. It should, nevertheless, be noted that hired labour has often been far more economical and efficient than the traditional communal one.[63]

The decline of village handicrafts, which, in most cases, cannot compete with cheap industrial products, tends to aggravate disguised unemployment in the villages, accentuating the effects of population pressure on the land. As this development is often coupled with a steep growth of population, resulting from the introduction of modern medecine, it is often very difficult to prevent a rapid aggravation of social problems connected with the shrinking of farm units, food shortage, and so on. "The economic problem of rural areas arises from the fact, that they have been affected by a distant and incomplete industrial revolution which has carried, for them, no agricultural revolution with it".[64]

The urban scene

The population of Asian cities has grown by millions in the course of a few years, a process which, in parts of this region, was aggravated by wars, famines and unsettled conditions in rural areas. An enormously increased need for housing, water supply, sewage disposal, transport, and educational and health facilities would probably throw off balance the administrative and financial resources of most cities in economically developed countries. There is even less reason to expect adequate provision for these requirements in underdeveloped countries. Overcrowding, slum conditions, unemployment, poverty, delinquency, prostitution and lack of sanitary arrangements are some of the well-known consequences of rapid urbanization. The conditions created in many countries in the early stages of development reflect, in many cases, the discrepancy between the pace of technological and industrial change and the pace of social change. They are also caused by the absence of an adequate material basis for rapid urbanization, as the supply of labour not only exceeds the possibilities of absorption, but also exceeds the capacity of all existing social amenities in the broadest sense of the word.[65] New institutions cannot develop quickly enough, new ways of life cannot be assimilated in time; all this may result in a lack both of personal status and, in an absence of moral controls which were traditionally exercised by the extended family or rural community, of social behaviour.

With or without employment opportunities, the urban masses of peasant origin are not assimilated into the modern urban society; they form, instead, a subculture, living separately in shanty towns on the fringes of the urban life, pursuing a mode of life that is half urban, half rural. They remain close to their rural hinterland in habits and outlook; this may be one more reason for their sentimental attachment to their old home in the countryside.[66]

Bad housing contributes to the disruption of workers' family life, and augments the losses which the traditional family sustains in the process of adaptation to the industrial system. Connected with bad housing conditions, both as a cause and an effect, is the shiftlessness of a large proportion of the immigrant population.

The incidence of crime and delinquency in new industrial towns and cities is also related to the disruption of traditional family systems, to the disappearance of old patterns of authority and control over the individual, to the increased wants generated by the "opulence" of the towns and by the huge disparity in living standards, to the erroneous interpretation of the "new rules of the game", and so on. First-generation youth who repudiate their parents as peasants, and already consciously reject traditional authority, but who have not yet acquired the new kinds of values and controls appropriate to the new environment, are particularly apt to show a propensity to criminal and antisocial behaviour.

The new needs created by urbanization and industrialization call for the development of social security and social assistance measures backed by the whole community or the state. Such measures are being adopted to a different extent in the countries of the region, but have mostly one thing in common—they affect almost exclusively workers in modern industries. In any case, even the assistance measures undertaken by the state or by large enterprises tend to reflect the ideas of the governing groups. The workers often do not consider these measures either as adequate or as corresponding to their most essential needs. Complex problems of class relationship are involved, and tend to harden with the growth of the working class and with a more articulate formulation of its requests.[67]

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[63] It has been found that communal labour in house construction in a Mexican village costs in fact six times as much as hired help. George M. Foster, *A Primitive Mexican Economy*, Monographs of the American Ethnological Society, No. 5, (New York, 1942).

[64] G. Wilson, *An Essay on the Economics of Detribalisation in Northern Rhodesia*, Part I., The Rhodes-Livingstone Institute, Livingstone, N. Rhodesia, (1941), pp.50ff.

[65] Very often, urban growth in under-developed areas is not a function of the expansion of the industrial base but an expression of the severity of the agrarian crisis. This fact is borne out by ample data showing that urbanization has grown considerably faster than industrial employment in under-developed countries. In India, e.g., the percentage of population living in localities of 20,000 or more inhabitants increased from 4 to 12 between 1911 and 1951, while the share of the total labour force employed in industry increased only from 11 to 13 per cent in the same period. For a thorough discussion of social problems of urbanization in under-developed areas, see United Nations, *Report on the World Social Situation*, (New York, 1957), pp.111 to 143.

[66] Radhakamal Mukerjee: *The Indian Working Class*, (Bombay 1951) pp.293f.

[67] See p.24 below.

This upheaval may be considered broadly as a transition problem, a problem of growth which will eventually be solved by economic development itself, by industrialization, higher incomes, which will in turn secure more employment and better levels of living. In the meantime, however, serious tensions and problems are present. A very thorny question is how much should be spent on social overheads in general or emergency palliatives in particular, and how much should be invested in productive capital formation in order to do away with the evil in the long run.

Along with the general division of resources on productive investment and social overheads, the planner is faced with a further one, i.e. to decide how to allocate the resources already earmarked for social overheads.

When speaking of assistance measures, governments face several basic dilemmas regarding the extent to which their limited facilities and financial resources should be devoted to the relief of the destitute, "who represent but a fringe of a vast population that is always on the edge of destitution, and the extent to which these facilities and resources should be devoted to preventive health measures and measures for raising the general standard of living".[68]

Social implications of the formation of a modern labour force

Imbalance between wants and activities

A modern economy depends as much on an adequate labour force as it does on technological processes. The adequacy of the labour force, in turn, depends both on the qualification of the workers and on their willingness or ability to enter new types of employment (and to stay in them).

The willingness of non-industrial labour to move into industrial employment is a result of the push from the villages and the attraction of the wages, and other conditions of employment as well as the way of life, in the towns. In other words, the alternative to the rural way of life has to be known. In fact, in many parts of the ECAFE region, the population is already well aware that employment opportunities exist outside the old village communities. In general, there is no particular difficulty in securing man-power for the still limited demand of modern enterprises, and the supply of workers willing to sell their labour tends to exceed existing requirements.

There is, however, another aspect of the matter which calls for a note of warning. The information that reaches the villagers may sometimes be distorted or biased; false, or at least excessive, expectations may be raised, and all this may bring about even more frustration, disillusion, and tension. "Backward peoples can be only too successfully converted to new ways of life on the side of wants and aspirations, while these cannot be matched by a corresponding increase in their earning capacity. We then have a progressive maladjustment between wants and activities, the former outstripping the latter at each round of 'education' and contact with the outside world. (This may spread from the individual to the national level, when the independent national governments of the backward countries find their resources insufficient to carry out ambitious schemes of economic development and social welfare)".[69]

When introducing new productive patterns, the immediate difficulty may be that previous training and educational processes do not usually turn out an industrial worker. In a modern industry, "the industrial worker has to be literate; often he has to be able to read blueprints; he has to understand the need for industrial discipline".[70] Literacy is not only necessary for the successful adjustment of the labourer to factory work, it is also an important factor in his assimilation to more modern ways of urban life. Hence, widespread illiteracy has been viewed as a serious obstacle to economic betterment. However, it should be realized that compulsory primary education, the desire to make the entire population literate—important as it may be for educational authorities in underdeveloped countries—should not consume an incommensurate amount of available means and energies. From a development point of view, some more specific educational tasks should be given a higher priority, and this consideration applies probably in the first place to agricultural extension services.[71] A further educational task is to train skilled personnel, technicians, foremen, medical assistants and so on, who have already proved to form a very serious bottleneck in many developing countries. It is also, for obvious reasons, imperative to provide men capable of framing and executing development programmes at various administrative levels.[72] Thus, investment in education is complementary to other developmental expenditures, but, as in other fields, it is the task of good planners to determine how much should be invested in it, and particularly on what types of education. If, for example, too many skilled people are turned out and no new jobs created, some of this human investment may result in undue wastage, and possibly in an increased malaise in the social system concerned.[73]

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68 United Nations, *Preliminary Report on the World Social Situation*, p.178.

69 Hla Myint, An Interpretation of Economic Backwardness, Oxford Economic Papers, June 1954, reprinted in Agarwala and Singh: *The Economics of Under-development*, (Oxford University Press, 1958), p.116.

70 ILO: *The Economic Background of Social Policy*, Report IV, (New Delhi, 1947), p.143.

71 In many under-developed countries, agricultural yields are very low because of, among other reasons, ignorance of modern farming techniques. It is largely believed that an increase of 50 per cent in two decades or less would be possible, even without a substantial increase in capital or any substantial reorganization of the agricultural system, if farmers were taught modern techniques. (Of course, other steps besides teaching have to be undertaken to arouse an interest among the peasants .....). Obviously, such an increase in agricultural production would considerably further capital formation, and deserves the fullest attention on the part of the development planners. See United Nations, *Measures for Economic Development of Under-developed Countries*, (New York 1951), p.52f.

72 *Ibid.*

73 "Most under-developed countries can provide numerous instances of graduates from technical and agricultural colleges who cannot be absorbed, because the existing economic structure cannot be changed quickly enough to absorb them, although in terms of broad averages the amount of money spent per head of education and technical training is quite modest. The common fate of these people is to suffer a form of intellectual 'disguised unemployment'....." Hla Myint, *op.cit.*, p.105.

A very similar line of reasoning is valid for investment in public health, housing and so on. Higher health standards may improve productivity by reducing debilitating diseases and the loss caused by absenteeism. New housing may be needed both to make production possible in new localities and to resettle slum dwellers. The first aspect is clearly complementary to productive investment; the second may improve health, and produce new incentives, but its main effect may be simply to raise levels of consumption.[74]

Almost in the same way as the demonstration effect operates in the field of consumers' goods, creating new wants, aspirations to new ways of life which can generally be supported only by much higher *per capita* productivity, the example of more developed countries creates a demand for the provision of certain social services by the state. Some governing elites, sometimes under pressure from organized labour, are willing and ready to emulate the achievements and obligations of the modern welfare state, to follow too closely the example of the advanced countries, regardless of the opportunity cost involved. Although health insurance schemes, maternity, old age and unemployment benefits, minimum wage legislation, etc. may lessen some social tensions, and contribute to productivity, very often only a limited section of the society benefits by them, and the pull they exercise on the economy as a whole may not be equal to the cost paid by diverting resources from other uses. In fact, this might be just another way of twisting the precarious balance of consumption and saving in favour of consumption. When deciding on these types of spending, planners should try to find out to what extent they accelerate or slow down the pace of development, and what may be their long-run implications.

Dual economies

In many countries of the region, a greater part of social legislation (if there is any) is in practice enforced only in larger enterprises. This disparity is a consequence of the "prolonged co-existence and co-habitation of modern industry and of preindustrial, sometimes neolithic, techniques".[75] A dualistic pattern in developing countries may be noted not only with respect to methods of production and distribution, but in a much broader range of contexts. "We find the same contrasts also outside economic life. There are one or two modern towns, with the finest architecture, into which people drift from other towns and villages which might almost belong to another planet. There is the same contrast even between people. . . ."[76]

Some experts consider that certain pre-industrial economic activities have today a better chance of survival (a temporary survival, of course, in the longer run) than was the case during the industrial revolution in Europe. This is because, allegedly, the forces of industrialization at present tend to leave pre-industrial sectors alone for a prolonged period rather than attack them frontally. And it is believed that one of the principal economic reasons is the existence of two wage levels, one applicable to the modern industrial sector, and the other to most of agriculture, trade, services, as well as handicrafts and small-scale industry. Owing to the economies which accrue because of the fact that minimum wage levels and social legislation cannot be enforced, some small-scale producers maintain certain competitive advantages, and are thereby given a substantial respite.[77] No doubt, such a dual structure of society creates many social stresses, but it has some compensations since it permits the economy of an under-developed country to use more fully its resources during the difficult period of modernization. The less developed countries of today should not lightly discount some of the advantages which they still can derive from it.[78]

Wages and productivity

In the period of the take-off, the responsiveness of the worker (or of the potential worker) to wages is a largely debatable issue. A modern industrial system assumes that workers will respond to wage-differentials. However, this response is by no means the same in all societies. Wages may have less appeal where people still find satisfaction in traditional rewards or place a high value on leisure. The latter is probably one of the reasons why fishermen or paddy farmers in many under-developed countries can hardly be enticed to enter new occupations. However, among the factors determining the pull towards the towns, and industrial employment, industrial wages are probably by far the most important, as they provide a higher income than backward agriculture may offer. Nor should such inducements as comparative security, status, and possibilities of advancement be underrated.

In any case, in most parts of this region, it is not the industries which are looking for labour, but labour which is in search of employment. Nowadays, the push from the villages has become so strong that the problem is how to contain it, how to stem the flood, and not the opposite. For example, all over India new towns are rising; in mainland China, the Government has had

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74 "Planners point out that in the long run it is economical to build cities along well-planned lines than to let them grow up to slums which are ultimately torn down and replcaed. This is perfectly true in a partial-equilibrium setting, i.e., if other things are equal. But if savings for capital formation are limited, as they are, and if adequate city planning absorbs considerable savings, the recommended investment involves external diseconomies in other investment projects which must be foregone. It is cheaper to buy $120 suits rather than $40 suits, they last more than three times longer and give much more satisfaction; but not everyone can take advantage of these economies, and add the extra $80 invested in something else may bring advantages much greater than the extra value of the better suit." (Kindleberger, *op.cit.*, p.152).

75 Hirschman, *op.cit.*, p.125.

76 W.A. Lewis, "Economic Development with Unlimited Supplies of Labour", *The Manchester School*, (May 1954), p.147.

77 It has, e.g., been noted in southern Viet-Nam, that, while there is a steady though none too strong, stream of investment in small-scale industries and handicrafts through the Centre de Development Industriel, it has proved almost impossible to mobilize any capital for bigger enterprises.

78 Hirschman, *op.cit.*, pp.131-2.

to use all its authority to transfer people from the towns to the countryside. This, of course, does not mean that ties with the villages do not remain powerful, but they are not strong enough to offset the growing attraction of the towns.[79]

Another controversial issue is the relation between wage-incentives and increases in productivity. All other factors being equal, productivity per worker in under-developed areas is usually far below that in advanced countries. Is it so because of low wages, or are wages low as a consequence of the low productivity of labour? It may seem that an excessive supply of unskilled labour keeps wages close to the subsistence level, and that low wages, in turn breed malnutrition, lack of interest in work and low productivity. On the other hand, employers sometimes affirm that new labour, as yet unused to industrial discipline, is of low productivity, and they therefore cannot afford to pay higher wages. There is undoubtedly a circular relation between low wages and low productivity, but there is some evidence, e.g. in India, in western Africa, etc., that workers will respond to new opportunities and that the vicious circle of low wages and low productivity may be broken by the opening up of skilled positions and the payment of higher wages.

There are two more arguments against a so-called high-wage policy. The first is sometimes referred to as the Cuban case. In that island, according to the view of the International Bank for Reconstruction and Development Mission,[80] well organized labour was able to enforce a relatively high-wage policy. Yet the increase in wages was not adequately matched by a corresponding increase in productivity, and resulted in a reduction of savings, an impairment of the industry's competitive capacity and, eventually, in inflation.

Developing countries may also be faced with the following dilemma: higher wages or more employment? One school of thought contends that a low-wage policy, coupled with an attempt to create new employment, may hasten the over-all pace of economic development without reducing consumption or impairing living standards. It is argued that, in the under-developed countries with huge disguised unemployment, an increase in productivity should therefore not automatically lead to higher rewards, but should be used to create new jobs. In order to minimize balance-of-payments difficulties and maximize employment, this school of thought favours a highly labour-intensive investment policy.[81] The above approach to the wage-employment dilemma is certainly not free from serious pitfalls. It certainly presupposes an unusually profound understanding of marco-economics by a still relatively new working population in developing countries. It may, therefore, act as a dis-incentive to productivity, and render even more difficult the process of adaptation of peasant labour to factory discipline. Absenteeism, a high rate of turnover of the labour force and other teething troubles of industrializing countries will hardly be cured by a systematic low wage policy. It is also often argued that a more liberal wage policy may help to broaden the domestic market, and thus stimulate development.

In any event, the problems of motivation cannot, and should not, be reduced to mere wage-differentials. In under-developed as well as in "advanced" countries, people do not live by bread alone. When leaving their villages, many new (or prospective) workers may feel that they are giving up their social position; they part from the familiar miliea in which they had a very real and deeply felt interest, only to be lost in a distant unfriendly environment, as an anonymous annex to an incomprehensive mechanism. Material incentives, material security are certainly of supreme importance, but a sense of participation in the enterprise, a sense of belonging may also constitute a considerable incentive. Some forms of workers' participation in decisions at certain levels of management (initially, perhaps the lowest ones) are also indicated by current empirical research as relevant to workers' satisfaction and productivity.[82]

Trade unions and other labour organizations not only defend the economic interests of the workers but also convey to them a new sense of belonging. In this capacity, the labour movement makes a considerable contribution to the creation of a new setting which is far more favourable to sustained economic growth. To use Professor Galbraith's terminology, labour organizations in developing economies may be an important "countervailing force" acting against those economic and social factors which tend to maintain the reward for labour and its social status at the lowest level. However, labour organizations in under-developed countries should be cautioned against excessive demands and expectations. It is only just to oppose attempts to shift the entire burden of development, its entire social cost, to the shoulders of the poorest strata in towns and villages, but immediate results cannot always be expected as a solution for their ills can be found only on the basis of economic development which, even when well-directed, requires a good deal of time. Under prevailing conditions, particularly with an extremely severe population pressure developing or already at work in most of the under-developed areas, over-all levels of living can only be improved on the basis of rising productivity, only as a consequence of already successful economic growth.

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79 Seventy-one per cent of the Bombay textile workers interviewed in a recent survey visited their villages at least onee a year to fulfil religious obligations, visit friends and relatives, help with the harvest, and just to "get away from it all." Yet only 21 per cent positively disliked industrial employment, because it was troublesome or strenuous, and 5 per cent because of low pay. Cf. Charles A. Myers, India, in Walter Galenson (ed.), *Labour and Economic Development*, (John Wiley & Sons, Inc., New York; 1959), pp.28-29.

80 *Report on Cuba*, Findings and Recommendations of an Economic and Technical Mission organized by the International Bank for Reconstruction and Development, (Washington D.C.; 1951), p.128f. and 357ff.

81 Kahn, R.F., "The Pace of Development", in *Challenge of Economic Development*, p.170ff., 191ff. Kahn's interesting model envisages a rather intricate tax policy.

82 Moore, W.E., *The Social Framework of Economic Development with reference to Latin America*, UNESCO (mim.). "Do we not know enough of human notivation to suggest that, since economic development is literally revolutionary anyway, it may be facilitated by sharing responsibilities and giving up sole reliance on contractual and market incentives, or yet more dismal use of economic and political duress?".

IV. CO-ORDINATION OF ECONOMIC AND SOCIAL PROGRAMMES

In principle, economic and social development have the same ultimate goal of raising the standards of living or improving the welfare of the people. Economic programmes seek to pursue that goal by increasing production of material wealth, and social development programmes by provision of services to individuals and families, as well as by redistribution of wealth. Hence, careful co-ordination of economic and social programmes is vital for the successful attainment of the goal. Such co-ordination, however, presents a number of practical problems in deciding priorities and allocating available limited resources between economic and social programmes, for there are both complementarities and conflicts between economic and social investments. Much of the "human investment" promotes qualities which are conducive to economic growth. Many programmes usually described as "economic programmes" have social purposes and many "social programmes" serve economic ends. These complexities raise a number of difficult questions which require careful consideration in order to secure a proper co-ordination between economic and social programmes. Some of these questions are considered in this section.

Investment criteria

The problem of allocating scarce resources raises some of the most controvercial issues of development planning, which may and generally does have multiple objectives. As total resources are limited, most of these objectives compete with one another, at least in the short run, and the general direction of planning will, therefore, to a large extent, depend on subjective policy decisions. It is not within the scope of this paper to discuss general investment criteria in all their complexity. The discussion will be limited only to complementarity and conflict between investment into directly productive activities and into so-called social overhead capital.[83]

Investment in directly productive activities is supposed to result (be it with a longer or shorter time-lag) in a quantitatively measurable increase of output of goods and services, while social overhead capital in the narrow sense includes investment required for housing, education and public health, the economic value of which is not easily measurable. Some kind of dwellings are required for workers who are going to move from the countryside into towns or into other construction sites; education, particularly technical, increases productivity and produces the necessary skills for industrial and agricultural development. Health schemes are effective in fighting debilitating and other social diseases, and so help to increase productivity per worker and the number of workdays per year. It is usually very difficult to assess quantitatively the contribution of social overhead capital or "human" investment to the rate or economic growth of a country.

Within the framework of their development plans, developing countries have sometimes displayed widely different criteria in allocating resources to "productive" and "human" investment. The relative importance of human investment, particularly of investment in education and acquisition of skills, has lately been increasingly recognized. It has, however, proved to be very difficult to establish optimum proportions between various kinds of investment. It has been found in many instances that, if there is an inadequate increase in income, if the material basis of livelihood is not substantively improved, it may be difficult to maintain improvements already achieved in health or education. *Vice versa*, if progress in education (for example in agricultural extension services) does not keep pace with certain directly productive investments, these investments may fail to produce the desired results and end in waste (see the Helmand Valley Dam in Afghanistan, the Barai Occidental in Cambodia and so on). In many countries, the lack of technicians, of foremen and other technically qualified personnel constitutes a serious bottleneck. On the other hand, there is over-production of white collar workers.[84]

On the basis of experience gathered, it still seems too early to put forward any kind of models, as conditions vary from country to country, and as the targets differ widely. It can only be said that investment in health and education has generally borne fruit, that the most successfully developing countries have usually devoted a considerable part of their resources to education, that the attainment of a degree of literacy seems to be an essential prerequisite to economic development both in towns and in the rural areas, and that education may radically change the outlook of people who have to carry on their shoulders the burden of development. Investment in health and education, if purposefully directed, will contribute to a considerable degree to the efficiency and the productivity of other kinds of investment.

Evidence has, however, shown that investment heavily weighted in favour of social overheads does not necessarily bring about a rapid increase in the flow of incomes and, even more important, does not by itself secure a more stable and growing economy (as, for example, the case of Ceylon). If heavy investment in social overhead capital is not matched by an adequate increase in directly productive investment, it may, in fact, often be almost self-defeating. Health campaigns have, in many countries, brought about a marked decrease in the mortality rate, while the birth-rate has, at least temporarily, remained more or less unchanged. This has resulted in a steep rise in the rate of population growth. Countries, where such a development occurs, will have, at least for a time, to feed many more dependants, and will, of course, have to provide for productive equipment for many more working hands. Obviously, if an increase in population is not paralleled by an adequate increase in production of consumer goods, levels of living may be impaired. Again, if such a country does not invest sufficiently in capital equipment, productivity per head may decrease or remain stationary. The limited "ability to invest" therefore forces the planners to decide which resources to allocate between different projects, different sectors, different final uses.

[83] See Kindleberger, *op.cit.*, p.36, A.O. Hirschman, *op.cit.*, chapter 3, p.50ff.

[84] Hla Myint, *op.cit.*, p.105.

The decision is particularly difficult, because a sizable part of available funds must be devoted to social overhead projects whose direct contribution to the aggregate output cannot easily be calculated in terms of market prices. Both problems of balance at a given moment, and also of timing, have to be decided by planners.

An efficient balance, or an efficient sequence in timing will vary from region to region, from country to country. At the present stage of knowledge, it is almost impossible to establish general rules applicable, in quantitative terms, in each concrete case. Qualitatively, however, some general remarks may be made. First, the productive returns of social overhead investments are largely external to productive firms and sectors; it is necessary, in assessing the productivity of social overhead investments, to take full account of these external economies. Secondly, it is essential to find an optimum ratio, at a given point of time, between investment in directly productive activities and social overhead investment. The ultimate decision on this ratio will depend upon the policy objectives and the general orientation of the development plan. But, in so far as the level of output is recognized as the basis on which all social progress evolves, there is some scope for rational economic calculation which may be based on some technical coefficients drawn from experience, such as housing requirements for a given number of workers, standard requirements of technical personnel for a given level and composition of output, requirements of teachers and educational institutions for a given number and quality of technical personnel, etc. The techniques of model building, used for the general purposes of development planning, might be found applicable here. Thirdly, beyond a certain point, investment in social overheads may show diminishing returns, that is, a unit increase of investment in social overheads may fail to add adequately to the country's capacity to produce. If such a trend in returns is ascertained, there will be a case for applying the notion of an optimum point, at least in the qualitative sense. Fourthly, once certain general policy decisions on time-preference and priorities are reached, the planners' task will be to see that different targets are integrated into a consistent whole. For any lack of consistency will lead to certain bottlenecks and a wastage of scarce resources. In the last analysis, however, such plans will be implemented to the extent permitted by administrative capacity—the scarcest resource in many underdeveloped areas—and by the sense of participation developed among the people interested.

Human investment

"Human investment" has never been clearly defined. The term tends to be used broadly to include, *inter alia*, social expenditures listed under "'social overhead capital" or "social infrastructure". The qualities that promote economic growth are variously identified as efficiency, organizational capacity, initiative, energy and hard work, honesty, security and confidence in the future, knowledge and skills, inventiveness, mobility, "universalism", rationality, "entrepreneurial" ability, progressive outlook, ambition and drive, "achievement motivation", etc.; but lists of desirable qualities do not generally give a very clear idea of the kinds of investments a country can and should make in the social field to promote economic growth. Governments cannot create such qualities by legislative fiat and budgetary appropriation.

Generally speaking, two kinds of social factors influence economic development. Some have an important, but only temporary or permissive relation. Thus, economic growth will be facilitated by removal of restrictive institutions, such as defective land tenure systems or family, caste or tribal systems that inhibit mobility; but the overcoming of obstacles, by institutional reform, will not explain sustained economic growth. For this, it is necessary to postulate sustained forces, causing continuous expansion, in the same way that capital investment operating on the principle of compound interest will explain continuous expansion. Such a sustained force may be found in the growth of knowledge, particularly of scientific and technological knowledge (including pure science), which is a cumulative process and which, in some of the sciences, has apparently been expanding at an increasing rate in recent decades, constantly widening the horizon of economic opportunity. Another force promoting continuous economic expansion may simply be the continuous pressure of human motivation for material betterment; once the possibility of improvement is opened up and traditionalism and apathy discarded, it is characteristic of most men and of most societies to seek a higher income level, whatever level they are momentarily on.

As mentioned above, education and health programmes are two types of social activity that are often identified as forms of human investment, and sometimes singled out as the most critical investments for economic growth; yet in practice they are commonly classified under "consumption" expenditures.[85] Many social expenditures can, in fact, be regarded as both investment and consumption, demonstrating the difficulties of the concept of investment. Thus, good health is something to enjoy for itself, and at the same time promotion of good health may be a form of investment in human beings, increasing their efficiency as agents of production; the same is true of education.

The concept of human investment is an attempt to incorporate into the language of economic analysis certain social activities that are not, as a rule, carried out primarily for economic purposes, although at the same time they can have extremely important economic effects. Innoculation of children against polio may pay off economically, but that is not the purpose of the innoculation. To describe it as such is to falsify the situation. This is an inherent difficulty of the concept of human investment under present rather loose usage, and is one reason why economic investment criteria are not easy to use in relation to "human investments".

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[85] Social expenditures are, of course, themsevles classified as capital investment expenditures (e.g., construction of schools and hospitals) and current expenditure (e.g., salaries of teachers and nurses). This is something quite different from the subject under discussion, namely whether the expenditures contribute to economic development and may be treated as an investment from that point of view. A current expenditure on education may contribute more than a capital expenditure on education to economic development and thus be more of an economic "investment".

A related difficulty is the fact that social programmes do not have a simple, consistent and direct relationship to economic development. They are of wide variety with varying economic implications. It is wishful thinking to assume that every social programme will contribute to economic development.

Moreover, the very same kind of programme may promote economic development under one set of circumstances and retard it under another. Thus, a public health programme may improve the quality and productive capacity of labour; this can lead to a significant increase in national income, particularly if there is a labour shortage. But improved health can also mean sharply dropping mortality rates and rapid growth of population; if there is already heavy pressure of population on land, and no outlet for surplus labour through industry or migration, the chief result may be an excess of under-employed or unemployed labour, and an increase in demand for food, which can only be met by imports, thereby diverting funds needed to purchase equipment for industries.

The same social expenditure under the same circumstances is apt to involve a mixture of economic and non-economic benefits which are hard to separate. It would be extremely difficult to separate expenditure involved in, say, the establishment of a sewage disposal system, or the building of a hospital, into expenditure promoting economic growth through its effects on human beings and expenditure not promoting growth. It would be even more difficult to define the size of the eventual economic returns from such expenditures.

In education, the picture is no clearer than in health. It is customary to classify technical education as human investment, but there are questions about other forms of education. Kindleberger describes education focussed on technology plus a minimum of literacy as "productive", while education addressed to the enrichment of lives through literature, history, art and humanities is "consumption".[86] Expenditures on these two different types of education are hard to disentangle, however, particularly with the modern tendency towards "comprehensive" schooling. It is, of course, also somewhat debatable to imply that lives cannot be enriched through scientific and technological studies, or that the study of literature and the humanities (on which some entrepreneurs of Europe and America were brought up) may not play a significant role in transmitting those values of enterprise, self-improvement, personal achievement, and like qualities that are presumed to have a positive influence on economic growth. It is well known that in economically under-developed areas, as in rural Africa, where this matter has been studied, the introduction of a general secondary education can have a powerful impact in causing young men to leave their native villages, give up the traditional culture and economy and seek a better life in cities (where, unfortunately, not finding jobs, they often turn to crime and delinquency). A formal education that inculcates the values of ancestral ways and prescribed status will presumably not be helpful in promoting a growth that demands constant innovation; but a liberal education that stimulates the student to enquire and question, to seek new perspectives beyond his present environment, to improve his status and to broaden his understanding, may be a vital element in establishing a climate of economic change. However, it is difficult to draw any firm conclusions as to economic returns of a general education.

It is commonly agreed that the formation of a skilled labour force is an important area of human investment. The economic value of vocational training, vocational guidance and employment services would seem obvious. Other kinds of labour programme are more controversial. Thus, the argument is made that the premature raising of labour costs through minimum wage legislation, pensions, compulsory annual vacations, maternity leave, etc., will slow down capital formation, reduce employment and drive away outside capital.[87] Higher labour costs should follow not precede increases in productivity. On the other hand, it may be considered that such benefits are essential to labour morale and labour stability, and thereby can have considerable influence on productivity. The view has been put forward that minor wage increases may have little effect, but that there is a "threshold of modernity", a level of income above which a worker may suddenly go through a transition and acquire the reactions of an urban industrial citizen, responding to incentives to earn more by more work and more efficiency.[88]

It does not necessarily follow that higher labour costs will slow down capital formation. The cost increases may be passed on to consumers through higher prices, or they may act as a spur to management to expand sales or to increase efficiency and thereby lower costs of production by reducing waste, reorganizing work, etc. It is quite possible that the increase in production per unit of capital input in the United States, mentioned above, may have been spurred in part by the pressure from a constant rise of wages and labour benefits.[89] Increased labour income also increases demand and expands the market for manufactured goods, thereby stimulating and sustaining economic growth. The fact is that, in countries which have enjoyed rapid economic growth during the last century, the income of labour has also risen rapidly. Whether the rise in labour income has always been a consequence rather than a stimulant of expanding production is a theoretical question difficult to answer. In any case, the same considerations may not apply to economically underdeveloped countries where industry is in a fragile condition; what is a stimulant in a strong expanding economy can have different effect elsewhere.

Social security schemes, public assistance to the poor, aid to homeless children, homes for elderly people and similar social services for special groups in need

[86] Charles P. Kindleberger, *op.cit.*, p.152. Kindleberger does not indicate whether the social sciences, like economics, should be classified under production or consumption.

[87] See Kindleberger, *op.cit.*, p.229.

[88] See ILO, *Report of the Director-General, 1959*, p.54.

[89] There is a somewhat analogous situation in certain cases of land reform where production per unit of land has gone up not because of the greater motivation of the new owners but because the old owners, deprived of much of their property, have responded with efforts to compensate for their loss through increased efficiency of production. Farmers in the United States who have reduced their crop acreage under the "soil bank' programme have shown a remarkable capacity to increase the production of the remaining areas, through improved technical means, though under a highly artificial situation whereby subsidies are provided by the government.

are generally considered by economists to be social activities that do not always contribute to economic growth but divert funds from it. In certain cases, as in unemployment insurance in economically advanced countries, however, it is recognized that the payments serve as automatic economic "stabilizers". Also public distribution of funds during depressions may provide demand and help restore productive activity when capital equipment stands idle. This argument does not apply in an unqualified way to countries whose problem is not so much idle productive capacity as lack of capital resources and equipment complementary to labour. Extensive distribution of public relief funds under these circumstances, is apt to cause inflation if it leads to expand credit without a corresponding increase in the supply of goods.

Housing is another field where expenditures are usually considered to have relatively little economic output value, although again there is no way (at least at present) of measuring what the effects may actually be, and they would appear to vary greatly according to the circumstances. In an industrializing area, the economic value, to the industry, of constructing workers' housing may be relatively low if labour can be recruited locally, or can find its way into existing housing, or is able to construct its own housing; but under other conditions, housing provided for workers, or some form of assistance in housing, can have very real economic advantages. It may be an important factor, for example, in persuading floating labourers to bring their families with them and settle down in the neighbourhood, so that the labour force will become stabilized and the very high costs of labour turnover will be cut, to the considerable benefit of industry. Many industries in economically less-developed areas have adopted the policy of providing housing for their workers, and presumably this has not been done entirely for humanitarian reasons. Such housing, in fact, is apt to be listed as part of the necessary capital investment costs of the enterprise. When, however, the state assumes responsibility for low-cost housing for workers, the expenditures become "social" expenditures, and are seen as in competition with economic investment. It may be noted that low-cost housing has the advantage of a generally low import content, thus making only moderate claims on the country's foreign exchange resources.

Difficulties in the economic analysis of social programmes

The preceding discussion has demonstrated some of the difficulties of trying to measure the economic output value of certain social programmes viewed as "human investment". These difficulties arise because the social programmes are not really designed as forms of economic investment; their economic effects are complex, indirect, dependent upon numerous contingencies, and often mediated vaguely through the social climate or through formative influences in childhood. It may be questioned whether, as a means of co-ordinating economic and social development, the pursuit of the concept of human investment in the direction of trying to determine the precise economic return for every social expenditure is really feasible and worthwhile. It is extremely important, as a strategy of development, to examine economic implications and select, as far as possible, from among specific alternative social programmes directed toward the same goal, those programmes that can be shown to be economically most advantageous. It is also of great value to estimate mutual requirements of economic and social development where the cross-relationship is simple and direct, as in the number of dwellings required for workers in a given industrial project (once it is decided to provide the housing). But in broad areas of social activity that are ends in themselves, and not directly related to an economic undertaking, such as the extension of primary or secondary schooling, the search for investment returns is apt to be in vain, and another approach is called for in dealing with the policy question of determining allocations in relation to economic conditions. This subject will be discussed at a later stage in this paper.

In view of the complexities and uncertainties surrounding the role of social factors in economic development, including the difficulties of measurement, it is not surprising that economic planners should be discouraged from trying to handle such factors in economic analyses and programming. Even if the importance of the social aspects is acknowledged, these aspects tend, in practice, to be kept out of the picture and regarded as somehow alien. Thus, Tinbergen at one point, notes that education is "a very important condition for development" but disavows the consideration of it as a part of economic policy,[90] and at another point he writes, "to compare the advantages of an electricity plant with those of . . . a school will always be difficult, but at least it can be made clear what increase in material production is sacrificed if a school . . . is built".[91] It might be said alternatively that this is precisely what cannot be made clear; the possible contribution of the school to material production is beyond measurement at the present time but not beyond conception.

Lacking the tools for broader analysis, the economist is tempted to confine himself to a few selected economic variables that are familiar, manageable and measurable, and to spend his time studying the relations of these variables to each other as in formal "models", excluding consideration of other variables that may affect them or be affected by them.[92] A similar confinement of

90 J. Tinbergen, *The Design of Development*, The Economic Development Institute. International Bank for Reconstruction and Development, (John Hopkins Press, 1958), p.5.

91 *Ibid*, page 30.

92 "... ever since the middle of the nineteenth century demography and population theory have been excluded from the corpus of orthodox economics, and only in the two most recent decades have economists been turning in haste to relearn something about demographic processes; just as demographers are beginning to recognize the dire consequences of their neglect of economics. The situation with respect to history of science and technology and the understanding of what moves it is even sadder, and our ignorance of these key processes in economic growth is truly appalling. Nor need I add a similar comment about the clearly increased importance of political and socio-psychological factors in the understanding of the economic growth of nations; or the helplessness of a mere economist when he observes, when he can observe, results of economic growth obviously ascribable to political factors and forces whose nature he cannot understand adequately. The outcome is either withdrawal into the refuge of mathematical models operating with a few variables, or amateurish cogitations on a vast theme. One has the advantage of formal elegance, and the other, that of at least calling attention to the wider array of factors that have to be taken into account; but neither outcome is satisfactory." (Simon Kuznets, ITEMS, Social Science Research Council, XII, No. 2, June 1959, p.15).

professional interest will be found in the case of social policy makers whose concern with economic problems is apt to be limited to the question of how to obtain more funds from the budget.

It must be acknowledged that there is no systematic theory at the present time covering adequately the interrelations of the economic and social factors of development which can serve as basis on which to construct a co-ordinated and integrated programme of economic and social development. The best that can be obtained is a series of *ad hoc* efforts to achieve co-ordination in particular aspects.

Economic programmes with social purposes

A major means of co-ordinating economic and social development is through programmes in one field that have an immediate purpose in the other. Thus, the aim of certain programmes, technically classified as economic, is not only to increase production and improve welfare in the long run, but to achieve immediate social gains through the extension of employment. Such programmes have been adopted in more developed countries in periods of depression and in normal periods in connexion with depressed areas. They often consist of public works projects which build up capital resources and require considerable labour—forest conservation, construction of roads and transportation facilities, water works and irrigation, farm lands improvement, etc. The government may also subsidize the establishment of industries in depressed regions where, from the point of view of purely economic interests (e.g., cost of transportation), industries would not necessarily establish themselves.

Public works projects undertaken in a period of depression or in a depressed region of a given country, or subsidies to certain industries, may or may not be an economically efficient and justifiable use of the nation's resources from a long-range point of view; this will depend, among other things, upon their capacity to restore economic health. But they can be more efficient economically than social expenditures in the form of cash hand-outs for unemployment relief. If they also meet the welfare goals adequately, which is sometimes questionable, such double-purpose economic programmes have much to commend them.

In a sense, economically less-developed countries may be regarded as being in a state of continued depression. Many have extensive unemployment and under-employment, and the problem of the unemployed and under-employed workers and their families is a major issue confronting the governments. But, as noted above, the parallel is limited: the less-developed countries are faced with a lack of productive capacity, not idle productive capacity, and the creation of demand by the wide-scale distribution of funds, whether through public works or public welfare schemes, is apt to cause inflation rather than increased production, and to be a mixed blessing from a social point of view. In any case, the economically under-developed countries do not have the funds for extensive expenditures of this kind. Where large-scale public works projects are required for economic reasons, they often rely mainly on a single factor of production, i.e., labour, either through voluntary, or compulsory service or through the use of the army or para-military bodies.

Since capital is scarce and labour usually abundant in economically less-developed countries, it is sometimes argued that these countries should concentrate on "labour-intensive" projects, which will absorb maximum manpower, as against "capital-intensive" projects, which will mean greater productivity per employed worker but will do less for the unemployed and the under-employed, and, in the opinion of some, may even aggravate the situation through "technological unemployment". Thus, the official policy of India and Pakistan pays considerable attention to the development of labour-intensive small-scale cottage and village industries and affords tax advantages and other forms of special assistance. There are well-known differences of opinion on this type of policy, which runs counter to the general direction that economic development has taken in western countries.[93]

An additional argument in favour of small-scale industries, which are aimed primarily at relieving rural unemployment and under-employment, is the fact that there is already more unskilled labour in the cities than can be absorbed, and it costs more to the nation to support an individual in the city than in the country. By slowing down the rate of urbanization through employment in small-scale rural industries, various urban social overhead costs will be saved. The situation is quite different from that of European countries in the nineteenth century when the problem was often one of trying to get labour into the urban factories.

On the other hand, it is maintained by opponents of the labour-intensive, small-industry approach that such industries are more costly per unit of product, yield lower profits and less savings for investment, and in the long-run open up fewer employment opportunities than large-scale industries with capital accumulation.

Policies to improve the efficiency of small-scale industries include modernization of equipment and power supply and their integration with large-scale industries as parts manufacturers (as in Japan and Switzerland). Experience in the latter countries shows, however, that wage differentials between the small rural and large urban industries can cause labour problems.

In a number of cases in economically less-developed countries, economic programmes are intended to help special classes of people, usually minorities, who are considered to be in special need. For example, economic programmes for depressed classes, tribal groups, indigenous populations, nomadic tribes and similar categories have a large social welfare component in their immediate purpose. Often the economic programmes are joined with purely social programmes in an integrative approach (see below).

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93 For a recent discussion of the question, see International Labour Office, *Production Techniques and Employment Creation in Under-developed Economies*, Geneva, 1958. See also, United Nations, *International Survey of Programmes of Social Development*, 1959, pp.147-150.

Social programmes with economic purposes

Just as economic programmes may have immediate social purposes, so also social programmes may have economic purposes. This is the case whenever a social activity is considered to be a form of "human investment" and is deliberately pursued from that point of view. Examples have already been given in the discussion of "human investment" above. The various social programmes that rely upon "self-help" and voluntary effort —rather than government social expenditure as the sole resource — may be said to have a general economic purpose of cost reduction.

The content of social programmes may be specifically adjusted to maximize their economic value. The adaptation of education to economic requirements is an important illustration, and one of the most important forms of co-ordination of economic and social development. Lack of technical and specialized staff is reported from many areas to be a major factor holding back economic development, and need not be dwelt upon here.

It is important to recognize that there are also cases of over-supply of technical and specialized personnel—or an excess of high-level personnel and a deficiency of intermediate-level personnel, or the reverse situation. In the Philippines, there is reported to be a surplus of lawyers, teachers, dentists, pharmacists and accountants.[94] In southern Korea, it is reported that, in 1957, some 6,000 students graduated in sciences and technology from colleges and universities while an increment of only 1,500 such graduates would appear to be required in the period 1958-1960 in various branches of economic activity (agriculture, mining, manufacture, construction, public utilities, transport and communications). In Thailand, there seems to be at present an over-supply of lawyers and accountants. Thus, while the problem is generally one of shortage, it may also be one of excess supply, which equally calls for co-ordination. A number of countries have set up permanent bodies at the national level to deal with this question. For example, in India, a Manpower Committee at the Cabinet level was established within the Office of the Prime Minister in 1956, and a Directorate of Manpower Co-ordination has been established in the Ministry of Home Affairs. In Japan, a permanent committee has been set up within the Ministry of Education to keep under constant review the demand for and supply of graduates.

Although a number of countries have an active policy relating education to economic development, this is particularly characteristic of countries with highly planned economies, such as the China (mainland) and Soviet Union, where education has a strong technological and scientific cast and is closely integrated with economic programming. For example, it is reported that about 1954, of all students receiving higher education, 44 per cent in China (mainland), 49 per cent in Poland and 40 per cent in the Soviet Union, were enrolled in engineering and agricultural sciences, as compared to 4 per cent in India, and 10 per cent in the United States. Emphasis on technical and scientific studies in higher education implies a preparatory orientation in elementary schools, including a strong grounding in mathematics and science.[95]

There is a well-known tendency of general education, at the secondary or higher level, to produce an oversupply of graduates seeking urban white-collar jobs, especially in the civil service, while productive work in factory and farm is avoided; this presents a serious economic problem in a large number of countries. Special efforts are being made in and outside of education to confer status and prestige upon work that involves the handling of materials (rather than the handling of pieces of paper or human beings). The problem has by no means disappeared even in more developed countries; the entire Soviet system of secondary education is currently being recast in order to bring education and manual work closer together, and to avoid a situation in which schooling tends "to produce people who do not respect manual work, who are detached from life".

Another type of socio-economic problem affecting economic development and calling for special measures in the social field is the instability of labour, which in some areas reaches grave proportions. The use of social welfare programmes to help stabilize labour, and thereby cut down the higher cost of labour turnover, has been mentioned above.[96] Measures of this kind include not only incentives in the form of higher wages for longer services and for improvement of skill, but also holidays and bonuses contingent upon a period of continuous service, and assistance in child care, education, health and recreation, etc., designed to make life attractive in the neighbourhood of the industry or mine.

Where social insurance or welfare funds are built up as a part of social policy, the charges that are made in enterprises can possibly provide a means of influencing economic activity, (e.g. reducing charges for certain types of industry), as is true with other taxes and charges. Thus, exemptions or reduced charges may be used to support certain policies relating to the size or type of industry. The funds themselves are a form of forced savings which can grow to a great size and have considerable economic significance. They may be used directly for productive investments for economic development, although this policy, which has been carried out by several governments, has encountered opposition on the ground that funds set aside for the benefit of workers and their families should not be tampered with. Even if these surpluses are left idle, they may play a significant role as anti-inflationary offsets to spending in other sectors of the economy.

Integrative programmes

The most complete integration occurs in programmes which are simultaneously economic and social, in both content and purpose, and which are administered in a unified fashion. In a sense, any development plan that combines both economic and social features might be

94 This paragraph is based upon a Survey Relating to Scientific and Technical Personnel in certain Asian Countries, prepared for UNESCO by Professor W. Brand.

95 See United Nations, *Report on the World Social Situation, 1957*, pp.74-76.

96 See also *Ibid.*, pp.157-158.

so classified, but, in practice, in these plans, the integration is usually limited to the planning phase as such, not extending to administration and operations after the allocations have been made to the separate departments. The concern here is with programmes in which the multiple-purpose character is reflected in administration and operations, as well as planning.

Perhaps the best illustration is a *community development programme* that is co-ordinated at all levels, both at the centre and in the field, and that combines social projects, as in health and education, with economic projects, as in agricultural production and transportation. The Community Development Programme of India is of this type. Both the social and the economic components of such community development programmes rely on voluntary labour, and on local initiative combined with government assistance; the same person at the village level—the "multiple-purpose village level worker" —has both economic and social responsibilities in promoting village action. The need to achieve "balanced economic and social development" has, in fact, been a major consideration in the establishment of community development programmes. In some places, however, it appears that increased production has been more difficult to achieve through community development than have certain social advances.

Whether techniques similar to those of community development can and should be extended to urban areas is a matter currently under study.[97] Experience with community development has been almost entirely limited to rural areas to date. Should it prove feasible to undertake similar programmes in cities, a step could be taken in the direction of making the integrative approach a focus of both rural and urban development.

97 The United Nations, in co-operation with the ILO, FAO, UNESCO and WHO, is in process of organizing field surveys on urbanization, which pay attention to this subject. It will also study the experience of a number of countries introducing pilot projects in urban community development.

Closely integrated economic and social development will also be found in certain regional development projects, such as TVA in the United States and Gezira Plan in the Sudan, to name two of the better known examples. In these regional programmes, and in programmes for special classes of the population, as well as in community development programmes, the problems of co-ordination are formidable, since it is the tendency of the established ministries to carry out their separate functions on a nation-wide basis and there is reluctance to revise this procedure on behalf of an integrated development programme. A regional development authority may also come into conflict with the authority of State government.

As a final example of an integrative development programme, land settlement and land reform projects may be mentioned. The purpose of land reform is to improve the income and welfare of a given group of people by redistribution of wealth and at the same time to increase agricultural production. In the case of land settlement programmes, a redistribution of population is attempted in order to establish a better adjustment to the given patterns of land resources and thus to raise the level of living. It is assumed that in land reform programmes, the peasants who receive the land will be motivated to produce more crops. This expectation has often been belied, particularly when the tenant receiving land has been dependent upon the owner or his representative for managerial and technical aid and for credit. It is now generally agreed that land reform must be accompanied by technical aid and by a system of easy credit for the new owners if it is to achieve its economic aims. There has also been a tendency in recent years to introduce economic considerations of productivity directly into the land reform process by exempting from redistribution certain estates meeting productivity criteria, or by reducing the amount of their lands redistributed, as well as by imposing on new landlords certain conditions designed to ensure adequate production.

V. PLANNING THE PATTERN OF PUBLIC SOCIAL EXPENDITURES

Social expenditure should be viewed against the realities of government administration (particularly those organizations entrusted with spending decisions) if it is to be planned with an eye to their social and economic effects. This section will, therefore, proceed in four stages:

(1) First, there will be a general description of the public expenditure process in ECAFE countries, and of the institutional setting within which decisions are made to spend money including outlays for social purposes, and the relation of budgeting to planning and of traditional to development expenditures will be examined.

(2) The public expenditure data, which are the end-product of this expenditure process, will be set out for selected ECAFE countries, together with the multiple problems of making a reliable and meaningful assessment of the "facts" of public expenditures, which however does not make it possible to say what expenditure patterns "ought to be".

(3) The central problem of planning public social expenditure will be discussed, including the available techniques for estimating demands for social services and the criteria relevant to programme formulation at various stages in the planning process.

(4) Finally, two significant social programmes — malaria eradication and primary education—will be analysed in some detail.

The public expenditure process

Budgeting and planning

The allocation of public funds is, in essence, a political process. In most cases, the decisions of the government, i.e., the political leadership, the legislature, the administrative hierarchy, with respect to expenditure are influenced by public pressure, needs, and aspirations. In modern governments, these pressures focus on the formulation of a budget; the Treasury, or Ministry of Finance, is the traditional and primary co-ordinating agency.

In addition to these political restraints, the Treasury may have a certain behaviour pattern of its own. There may, in fact, be a kind of criteria implicit in the operations of established Treasury institutions. Some suggestions, necessarily speculative, as to these criteria can be made, but these are by no means generally valid.

The traditional budget process has a tendency to emphasize the short-run considerations of a given fiscal year rather than of a longer time span; and to emphasize financial considerations rather than real effects of government spending. In appraising ministerial requests in this setting, the budget office may have a bias favouring long-established programmes (or government agencies), together with expenditure of customary amounts for these programmes. Expenditure requests under new programmes entailing sharply rising outlays on existing schemes may be scrutinized more carefully.

Being always conscious of the over-all limitations of government financial resources, the Treasury may tend to favour those projects which are likely to lead to an obvious and fairly immediate increase in government revenues (e.g., increase in rubber replanting) as opposed to those projects where the revenue effects are vague and diffuse (e.g., the extension of feeder roads) or appear to be non-existent (e.g., food subsidies for urban consumers).

Some government departments have an advantage in the budgeting process, because they are able to defend their requests on technical, engineering, scientific grounds which are more difficult to question. Treasury authorities, as well as planning bodies, may find it difficult to appraise the technical superiority of certain new kinds of weapons for the defence of the country, the advantages of new expensive micro-wave telecommunication equipment, or the need for specialized medical research equipment. At times, this advantage of technical knowledge may lead to the spending of substantial sums of money (perhaps also foreign exchange) on, for example, dieselization of the rail system, a micro-wave communication system, or a fleet of military aircraft. Indeed, if these projects are properly prepared, these departments may be able to spend large amounts in a relatively short period. This speed of disbursement itself may have some advantage to the department concerned in escaping cutbacks in periods of financial stringency.

Finally, it is sometimes alleged that the professional specialization of the budget personnel, which is often on the legal, accounting and auditing aspects produces a "preoccupation with economy in smallish terms", a parsimony about small matters, an over-fastidious attention to details and problems of financial control. This outlook is not necessarily conducive to good budgeting, let alone economic planning. However, the tradition of detailed scrutiny of expenditure estimates and changes in expenditure plans does give the financial system a necessary element of integrity and discipline, and there have been cases where these traditions have performed a necessary, although negative, role in preventing waste and financial chaos.

With the establishment of planning authorities in Asian countries in the last decade, something has been added to, or grafted on to, traditional Treasury procedures. The creation of planning authorities was first of all an institutional innovation, with all the problems associated with the birth of a "new" agency in a community of "older" ministries and agencies with their habitual patterns of behaviour and established interests. This development has also stimulated a new outlook in government generally, and this deeper psychological change may be in the long run the most significant, for planning to be meaningful cannot be confined to any one agency, or level of government, or span of years. To be effective, planning must be a continuum of planning activities at every level of government, from central planning authority to the operating agency, and its meaning must be clear to strategic groups in the public at large as well.

These new postwar planning authorities have been handicapped in many ways, and have had to adopt an open-minded and experimental attitude. In some countries, planning has so far meant only the compilation of a "plan" which lists the various ministerial requests for funds in some future time period, and which shows little progress toward the establishment of a planning process. But, wherever personnel and financial resources have permitted a significant and serious activity on the part of the planning authorities, these have become increasingly action-oriented, and one of their important interests becomes the composition of government outlays and the orientation of the traditional budgeting process. In some countries, the planning authorities have achieved a closely integrated relationship with the Treasury; in others, this influence is partial and sporadic, and perhaps confined only to the capital budget or to "development" expenditures; and elsewhere the traditional budget process continues much as before. The mutual education and adaptation which results from collaboration between the planning authorities and the Treasury may be indispensable for a real and continuous planning process. There may be, on the part of the planning authorities, an appreciation of financial procedures, political realities, and the historical weight of government programmes which restricts Treasury actions; and, on the part of the Treasury, an insight into the longer run economic goals and effects of the many smaller spending decisions which they are accustomed to making, and even an appreciation of the internal need for budgeting and accounting reforms requisite to modern Treasury operations and economic planning.

A critical ingredient in the history of successful unions of the budgeting and planning activities may be the vigorous and sympathetic support of their combined efforts by a strong and stable political leadership at the cabinet level. This, too, has often been lacking.

Traditional and development expenditures

Another facet of this intensified interest in economic development, which, in institutional terms, is reflected in the increased influence of planning authorities in the budgeting process, is the effort to identify those public expenditures which can be classified as development expenditures, i.e., expenditures leading to an increase in output. In broad terms, an expenditure policy for development probably means a shift of emphasis from public outlays on traditional items such as defence, police, justice and general administration, to the social and economic services; and a shift in the economic character of government spending from current to capital expenditures. The distinction between current and capital expenditures (between, for example, the wage and salary payments to government officials and the construction of roads and power plants) is significant and useful. The current and capital expenditure categories must not, however, be mechanically equated with traditional and development expenditures for there are clearly cases (perhaps of minor quantitative importance in total budgets) of capital outlays, e.g., new stadiums, government guest houses, which are hardly developmental; and current expenditures, e.g., agricultural extension services, research stations, technical and vocational training, which may have important developmental effects. It is, therefore, agreed that certain social expenditures can lead rather quickly to increases in output and may, indeed, be at times critical or strategic to the total development strategy.

The efforts to clarify the concept and define development expenditures have led to an interesting array of proposals.

It has been suggested that development expenditures (1) be defined broadly to include in effect all social and economic services; (2) concentrate on "new" expenditures, i.e., capital outlays under social and economic heads plus those increases in current expenditures which represent an improvement in level of services; or (3) be equated with only those outlays which result in a direct increase in the output of tangible goods. As one discussion of the problem concluded, "an element or arbitrariness would would be involved in almost any definition of development expenditures".[98]

In these efforts to define "development" expenditures, there is a danger that we may substitute taxonomy for economic analysis and judgment. It is important that, when the budgeting or planning authorities appraise expenditure requests, usually at the project or programme level, they attempt mentally to "attach" an expenditure-output ratio to the project, to consistent groupings of projects or programmes, and to the proposed budget as a whole. The ease of estimating these expenditure-output ratios varies greatly between different public expenditure programmes. It is especially difficult to assess the output effects of social expenditures, but this effort should be made.

This continuous reappraisal and study of development effects of project expenditures avoids the danger of precluding economic analysis by a premature expenditure classification scheme. It also recognizes that the traditional outlays of government have always included economic and social projects which have contributed to increases in output and that the newer "development" outlays are not a separate distinct activity but rather an intensification of, and extension to, traditional government activities.

Public expenditure patterns

Facts and valuations

Budgetary data, both the estimates and actual payments and receipts, provide us with a formal record, a kind of periodic "sounding", of the public expenditure process. These data, while originally compiled and presented in a manner suitable to financial and administrative controls, have increasingly been modified in form to meet the needs of economic planning and modern budgetary operations which tend to emphasize the real economic effects of government transactions rather than problems of financial controls.

These efforts to translate the traditional budget document into a form more readily amenable to economic interpretation have centred on the reclassification of government transactions into economic and functional categories.[99] There has been considerable progress in this field by the countries of the region,[100] but much remains to be done in improving the data for national planning purposes.

Some of the major problems met in these efforts to improve budgetary data are the difficulty of obtaining comprehensive data for the entire public sector, of isolating expenditures and receipts related to a particular function of government, and of effecting an economic classification of expenditures (and to a lesser extent receipts) which can be related to these functions in the form of a cross-classification table.

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98 United Nations, "Report of the Second Workshop on Problems of Budget Reclassification and Management in the ECAFE Region", (ST/TAA/Ser.C/30), (Bangkok, 3-10 September 1957), p.15.

99 United Nations, *A Manual for Economic and Functional Classification of Government Transactions*, (Sales No. 58.XVI.2).

100 See for example: *An Economic Classification of the Central Government Budget for 1957-58* (as laid before Parliament), Government of India, New Delhi, May 1957, 28 pp.; *Central Bank of Ceylon Bulletin*, September 1957, Colombo, particularly pp.9-13 dealing with receipts and payments of Government of Ceylon; *The Union Budget in Brief*, Fiscal Year 1957-58, Government of the Union of Burma, Central Statistical and Economics Department, Rangoon, 39 pp.

In countries with a decentralized system of government, where the role of provincial, state, municipal and other local authorities is significant, a comprehensive picture of government outlays is hard to come by. Data on non-central government transactions are produced by numerous small diverse units, and usually collected and published irregularly and with a considerable time lag. Most under-developed nations have a highly centralized government structure, but there are important exceptions to this rule among the countries of ECAFE region. One measure of "centralization" of government [roughly, the share of central government revenues (or expenditures) in *total* government revenues (or expenditures)] in various ECAFE countries yields the following percentages.

Burma	97
Ceylon	97
Indonesia	90
Pakistan	76
Philippines	76
Japan	73
India	60

The degree of decentralization affects the assessment of expenditures on social services in a special way, since these services are more likely to be financed or administered by provincial and local levels of government. Financing may also involve a complex structure of transfer payments to and from various levels of government. The planning and implementing of social expenditures must cope with the reality of these various tiers of administration and financial resources.

It is also difficult to isolate expenditures relating to a particular function of government, for the traditional budget presentation can be very misleading. This problem may have special importance for social expenditures, since some categories of social outlays, perhaps education, housing, and various social welfare expenditures, tend to be dispersed among a variety of government organizations. A pioneering study of social expenditures in India[101] concluded that: "The budget expenditures of the ministries concerned in India underestimate the expenditures on social services incurred by government owing to the fact that the clasisfication in the budgets is based primarily on departments rather than on functions or purposes. The under-estimation in the case of central government expenditure on social services would be about 50 per cent; in the case of the states' expenditure, it would be about 20 per cent". An assessment of housing expenditures in Indonesia, for example, would require a detailed examination of the sums spent by many ministries and departments other than the People's Housing Department.

101 "An Exploratory Study of Social Expenditures in India" submitted to the Economic Commission for Asia and the Far East (fourteenth session; 5-15 March 1958), (E/CN.11/L.58).

For a complete examination of the structure of public spending, the outlays for various functions must in turn be classified by economic categories, i.e. by purchases of goods and services and transfer payments, and by current and capital outlays. An illustration of the kind of expenditure pattern revealed by such a reclassification by economic and functional categories is shown in table 2 which is based on the Federation of Malaya expenditure estimates for 1958. This table also shows the breakdown of the total outlays under various functional and economic categories by level of government, e.g. Federation, States, and town authorities.

This, in a highly distilled form, is a realistic illustration of the setting within which government decisions to spend are made. As suggested earlier, economic analysis may be applicable or relevant to this decision-making process in an uneven way. There can hardly be any economic criteria for choosing, in the Federation of Malaya, between the internal security outlays made necessary by the Emergency and additional funds for building health clinics. On the other hand, the choice between continuance of the significant rubber replanting subsidies and expansion of primary education facilities will have decided economic effects which (particularly in the case of rubber replanting) can be analysed in considerable detail. Another choice, say, between expanding rail versus road facilities, may be even more subject to study and decision on economic grounds.

A record of public outlays alone does not necessarily provide a complete picture of the outlays for any given purpose. It is essential to know the totality and the interrelationships of the public and private efforts in a particular field, particularly in the social field, where private sector activities on the part of private non-profit institutions, households, and even enterprises, are significant. There are some social fields in which government expenditure may predominate, as is usually the case in primary education, or in public health programme directed against mass diseases. But in most social fields there is a mixture of private and public efforts. Housing is predominantly a private activity. Most social welfare activities in the countries of the region, e.g. care of aged, crippled, etc., remain a private responsibility. Many health services, or education activities (particularly in secondary, technical and higher education) have important private as well as public components. Data on expenditure and receipts relating to these private activities in the social fields are especially difficult to obtain, and one may often have to resort to other information, e.g. the number and location of physicians engaged in public and private practice, or the number of school teachers registered in private and public schools, in order to obtain some idea of the relative dimension of the private and public activities. In expenditure terms, however, one would ideally like to be able to fill in a table similar to the one depicted on page 36 with respect to the provision and financing of educational services in the public and private sectors.

Table 2

FEDERATION OF MALAYA: ESTIMATED EXPENDITURES[a] OF FEDERATION, STATE AND TOWN

(in Million M

Item	GENERAL SERVICES A. General administration	B. Defence and internal security	C. Justice, water supply, fire protection etc.	SOCIAL SERVICES D. Education	E. Health	F. Labour, social welfare, housing etc.	ECON G. Agriculture, forestry and fishing	Pow
EXPENDITURE ON GOODS AND SERVICES								
Compensation of employees	45.0	152.8	23.9	8.9	44.8	13.6	35.9	
Rental of fixed assets	.3	.2			...	...		
Military construction and equipment		23.2						
Other goods and services for current operations	22.6	70.3	12.5	12.3	22.1	7.0	18.0	
Purchases of new capital goods								
Building and construction	5.6		1.8	18.3	6.9	2.5	16.4	
Machinery and equipment	1.2		2.2	.6	1.8	.2	2.3	
Improvements in agriculture etc.							.2	
Purchases of land	.2				...			
INTEREST PAYMENTS								
TRANSFER PAYMENTS								
Current transfers to:								
Households								
Pensions and allowance		4.6						
Other direct transfers	.2			1.0				
Through non-profit institutions	...		.1	7.5	.8	1.3	.1	
Independent public bodies								
Municipalities								
Statutory grants to local authorities for education				132.5			...	
Abroad				...	.1			
Capital transfers to:								
Households	...		...			.1		
Compensation for loss of career, and gratuities		1.0						
Independent public bodies								
University of Malaya				.5				
Rubber Replanting Fund							44.5	
Central Electricity Board								
Municipalities			4.2			.5		
FINANCIAL CLAIMS								
Direct loans and advances to:								
Households							.5	
Petalling Jaya Authority			.9					
Industrial Development Corp.								
TOTAL EXPENDITURES OF FEDERATION, STATES, AND TOWN AUTHORITIES	75.2	252.1	45.5	181.6	76.6	25.1	117.9	
PERCENTAGE DISTRIBUTION OF TOTAL EXPENDITURES FOR EACH FUNCTION — Federation	82	100	62	100	100	60	59	10
States	18	—	2	—	—	40	41	—
Towns	—	—	36	—	—	—	—	—

Source: Estimates of the Federal Revenue and Expenditure for 1958, Dveelopment Estimates 1958, Estimates of the States

[a] These expenditures exclude outlays of government trading enterprises (posts, telecommunication, railways, toddy sh Malacca and Kuala Lumpur and Petalling Jaya Authority, and local authorities for education. The estimates of boards and councils, appearing in States estimates.

— negligible.

... amount less than M$50,000.

Table 2

ND TOWN AUTHORITIES IN 1958, CLASSIFIED BY ECONOMIC CHARACTER AND FUNCTION

Million M$)

ECONOMIC SERVICES				UNALLOCABLE EXPENDITURES				PERCENTAGE DISTRIBUTION OF TOTAL EXPENDITURES FOR EACH ECONOMIC CATEGORY		
G. Agriculture, forestry and fishing	H. Power	I. Transport and communications	J. Mining, manufacturing and other economic services	K. Interest on general debt	L. General transfers to municipalities	M. Other unallocable expenditures	TOTAL	Federation	States	Towns
35.9		3.6	3.0			17.9	349.4	81	17	2
							.5	100	—	—
							23.2	100	—	—
18.0		16.3	1.0			45.1	227.2	74	23	3
16.4		17.9	...			22.5	91.9	67	32	1
2.3		.5	1.6			.8	11.2	76	17	7
.2							.2	100	—	—
						.8	1.0	20	80	—
				35.0			35.0	100	—	—
						50.8	55.4	98	2	—
.1		.3	5.3			.4	1.6	62	38	—
						.8	16.2	94	6	—
					3.1		3.1	100	—	—
							132.5	100	—	—
...							.4	100	—	—
			.3							
						.1	23.6	100	—	—
						22.4				
							.5	100	—	—
							44.5	100	—	—
44.5					3.6		7.0	100	—	—
	7.0						12.0	70	30	—
	2.5	1.2								
.5										
			2.5				3.0	100	—	—
			.6				.9	100	—	—
							.6	100	—	—
117.9	9.5	39.8	14.4	35.0	6.7	161.4				
							1040.8			
59	100	100	97	100	46	55	Of which	874.0	Federation	
41	—	—	3	—	54	45		150.3	States	
—	—	—	—	—	—	—		16.5	Towns	

f the States Revenues and Expenditure for 1958.

ays, toddy shops, water supplies etc.); and outlays of municipalities of George Town (Penang), estimates of town expenditures are very rough, based on data for some 87 town and rural

PROVISION AND FINANCING OF EDUCATIONAL SERVICES
(in millions of national currency)

Provided by: \ *Financed by:*		*PUBLIC SECTOR*		*PRIVATE SECTOR*		*TOTAL Expenditures for providing educational services*
		Central Government	*Provincial and local Government*	*House-holds*	*Enter-prises*	
PUBLIC SECTOR	Central Govt.	a	...	b	...	
	Provincial and local Govts.	a	a	b	...	
PRIVATE SECTOR	Non-profit institutions	b	b	a	...	
	Enterprises	...	...	b	b	
TOTAL EXPENDITURE for financing educational services						

[a] likely to be significant
[b] moderate significance
... negligible

Some comprehensive view of the sources and uses of total resources in the field of education would seem to be needed, not only for planning education expenditures, but for solving many important auxiliary questions related to educational policy, the amount and direction of public grants and aid, and problems of integration of private (often for minority groups) and public school systems.

The "facts" of public expenditures are therefore restricted in meaning for a variety of reasons. These inadequacies of data hamper the planning of public expenditures, are particularly serious in the social field, and limit severely the possibilities of comparing public expenditure patterns in different categories.

International comparison of public expenditure patterns

The basic problem of planning public expenditures is how to allocate expenditures between various uses, e.g. social and economic, in a budget or in a development plan. It is sometimes thought that a comparative study of public expenditure patterns in various countries would suggest some general criteria for the allocation of public funds, that the comparison of the "facts" of public expenditures in countries at various stages of development would help us to determine what the public expenditure pattern "ought to be".

This belief presumes that many of the difficulties of assessing the "facts" mentioned in the previous section can be overcome. The weakness of the idea, however, stems from other sources, and can be illustrated by reference to expenditure patterns in various countries in the region.

Comparative studies of public expenditure patterns must choose carefully the political entity to be used as the basic statistical unit. Independent nation-states must be treated separately from colonial territories, since the range and importance of government functions may vary greatly in these two contexts. The experience of India[102] underlines the importance of political sovereignty as a possible stimulus to government activity and economic growth.

Significant foreign economic aid can also have important effects on public expenditure patterns in a country. This is a vital factor in many countries in the region. *Per capita* international economic aid[103] in the four-year period 1954-1957 was more than US$20 in Laos (US$85), southern Korea (US$48), China (Taiwan) (US$41), southern Viet-Nam (US$22), and Cambodia (US$20). International military aid to various countries in the region may also have an important bearing on the public expenditure pattern.

The problems of national defence have also greatly influenced the government spending patterns in those countries of the region. Independence and the problems of consolidation of the nation in face of revolts, the more serious instances of civil war and partition have unfortunately been a part of the history of the region in the years since the Second World War. The sharp impact of these factors is evident in the following table giving defence expenditures as a percentage of total (current and capital) central government expenditures in various countries in the region in 1957.

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[102] Helen Lamb, "The 'State' and Economic Development in India", in *Economic Growth: Brazil, India and Japan*, ed. by Kuznets, Moore, Spengler, 1955, pp.464-495.

[103] *United Nations Statistical Yearbook, 1958*, (New York, 1958), pp.398-400. Foreign grants and loans specifically linked to the defence of the recipient country were as far as possible excluded. Data available also excluded aid from USSR and mainland China.

Country	Fiscal year	Defence expenditure as a percentage of total (current and capital) central Government expenditures
Korea, southern	1954/1955	43
Pakistan	1956/1957	35
Burma	1956/1957	32
Indonesia	1957 PR	23
Federation of Malaya	1957 RE	22
Iran	1956/1957 PR	21
Thailand	1958 E	20
India	1956/1957	19
Philippines	1957/1958 E	15
Japan	1956/1957	14
Ceylon	1956/1957	3

Source: *United Nations Statistical Yearbook 1958*, pp.481-493.
PR indicates provisional results
E indicates voted estimates
other figures relate to closed accounts

The effects of defence spending on the comparison of public expenditure patterns can be illustrated in the cases of Ceylon and the Federation of Malaya. These two countries have many similarities of size, economic structure, levels of *per capita* public expenditures, levels of living; yet the expenditure patterns are quite dissimilar (as shown by the following comparison), owing to the very significant defence and internal security outlays associated with the Emergency in the Federation of Malaya. These differences in public expenditure patterns can be explained only in terms of political history and geographic location, and a comparison of these two patterns would hardly be of use to either country in planning its public expenditures.

	Percentage distribution of public expenditure[104] for:				
	Defence and internal security	Social	Economic	Administration	Other
Ceylon 1958/59 estimates	9	50	25	11	5
Federation of Malaya 1958 estimates	24	35	17	12	12

[104] Based on a reclassification of budget estimates of Federation of Malaya by the ECAFE secretariat; and an adaptation of table 20 of *Central Bank of Ceylon Annual Report for the Year 1958*. This is a very rough comparison of estimated outlays of government ministries and departments (excluding trading-type enterprises).

One should therefore not be too optimistic about the possibilities of evolving general criteria for expenditure allocation on the basis of comparative public expenditure studies. Such studies as have been undertaken, both historical country studies and cross-section studies (of countries at different levels of economic growth at a point in time), point to several very broad historical generalizations: that total public expenditure as a share of gross national product, and the share of social expenditure in total public expenditure tend to increase as the economy develops. This is an extremely interesting generalization, particularly for economic historians and political scientists, but it may not be very useful as a specific tool for planning authorities in the ECAFE region.

Planning public social expenditure by analysis and projection

In the two previous sections, we have tried to suggest a realistic, if rather generalized, version of the expenditure process in the countries of the region, to set out the public expenditure patterns resulting from this expenditure process with an elaboration of the pitfalls in the treatment of these data, and finally, to question whether these expenditure patterns or an international comparison of such patterns tell us in any specific way what expenditure policy is appropriate.

We may now approach our central problem of planning public social expenditures in a more positive and direct way by (*a*) reviewing some of the projective techniques relevant to social and economic development planning, (*b*) emphasizing that the analysis of identifiable and "significant" social programmes is the core of public social expenditure planning and (*c*) suggesting that, in addition to social programme analysis *per se*, these programmes must be appraised with a view to their consistency with other programmes within a broad social function and with the key strategies of the national development plan.

Projective techniques

An essential part of current economic planning is the use of projections of the future behavior of certain economic variables such as "*per capita* income" or "*per capita* consumption"; projections are made on the assumption of a continuation of current trends or on certain assumptions relating to the effects of forces or policies influencing behaviour of these variables.[105] If, at the same time, a relationship is established between a projected variable and other variables, it will be possible to indicate what the implications of future development in one area are for other areas. If two

[105] See United Nations Economic Commission for Latin America, *Analyses and Projections of Economic Development; I. An Introduction to the Technique of Programming*, 1955.

areas thus related are respectively economic and social, this can be an important basis for the co-ordination of economic and social development.

The relationship between the variable may have to do with requirements. Thus, if a certain growth of industrial production is projected, and if the requirements in raw materials, energy, transportation, professional manpower, skilled labour, etc., can be specified, then the future requirements in these areas can also be projected and serve as a basis for co-ordinated planning.

The relationship between variables can also be in the nature of cause and effect, or necessary logical connexion—an example is the implications for the size of the future labour force of the extension of secondary schooling period by a given number of years, or the significance of demographic growth in determining per capita national income.

Projections of such items as professional graduates can be made either from the point of view of requirement (demand) assuming a given economic development to take place, or from the point of view of supply—what will be available under current trends and must be taken into account if there is to be no change (via planning) in the employment situation.

Projections of social variables that can be related to economic development variables (apart from simple projection of social costs) are limited in number, first because future social trends may not be known or definable, and, secondly, because it is not possible at present to establish many precise relationships of social to economic variables, whether relationships of requirements ("complementarities") or of causal or logical implication.

There are, however, two areas in which projections are playing an increasingly significant role in the interrelation of economic and social development: demographic projections and projections relating to trained personnel of various categories.

Economic development planning must obviously take the growth of population into account if it is to set realistic goals for employment, production and other needs of the future.[106] Many economists and demographers have estimated the volume of investment necessary for the capital requirements of a growing population. Assuming a capital-output ratio from 4 to 5, for example, it has been estimated that, to maintain existing levels of living, with a population growth of one per cent, it is necessary to have an annual investment of 4 or 5 per cent of the national income; with an annual population growth of 2 per cent, the investment rate required rises to 8 to 10 per cent, and this further increases to 12 to 15 per cent with an annual population growth rate of 3 per cent.[107] But when a rise in levels of living is desired, the proportion of national income required for investment is higher. With a population growth of only one per cent per annum, and an objective of an increase of income *per capita* at the rate of 3 per cent, which is modest if a real change is wanted, an investment programme of as high as 16 to 20 per cent will be needed.

The projections are usually based on the assumption that the rate of population growth will remain the same every year during the projected period. Use is made of the compound interest or an analogous mathematical formula to arrive at future population estimates. While such techniques are useful to obtain an over-all picture of the situation in relation to "aggregate projections" and "macro" programming (concerned with categories such as national income, investment, over-all savings, etc.), more refined demographic techniques are useful for detailed "projections by sectors" and "micro" programming.[108]

An example of a more refined approach is the "component" method of population projection whereby the trends in birth and death rates are applied to the age and sex composition of a population.[109] The component method consists normally of separate projections for males and females by age groups, usually five-year age groups unless other age divisions are selected for the sake of expediency. On the basis of existing and past experience in mortality, survival ratios of each age group are calculated for projections into the next five-year period. Migration trends, where significant, are taken into account. This method can be used for estimating such quantities as (*a*) the number of families at a future period, (*b*) the future school age population, (*c*) the future labour force. Thus, knowledge of the present and future age structure of a population makes it possible to formulate educational plans in accordance with the proportion and the number of persons in the school-going ages; to calculate the dependency burden on the basis of proportion of persons in the productive age groups; to estimate job requirements for persons entering the labour force; to reckon production requirements in order to meet estimated consumer demands, etc. Projections can be made for different income, religious, ethnic or other groups.

In a special study dealing primarily with the population growth and economic development of India,[110] the educational requirements of that country, based on population projections (assuming different trends of fertility — "high", "medium" and "low" projections), have been estimated. "The difference in educational expenditures resulting from different courses of fertility is particularly marked, because the differences between

106 See United Nations, *Population Growth and the Standard of Living in Under-developed Countries* (New York, 1954), p.1. As for the population projections in the ECAFE region, see "Population Trends and Related Problems of Economic Development in the ECAFE Region", *Economic Bulletin for Asia and the Far East*, Vol. X, No. 1, (June 1959).

107 United Nations, *Processes and Problems of Industrialization in Under-developed Countries* (New York, 1955), p.15.

108 On the use of these concepts, see J. Tinbergen, *op.cit.*, and United Nations (ECLA), *Analyses and Projections of Economic Development; I. An introduction to the Techniques of Programme* (New York, 1955).

109 For some descriptions of the methods of component projections of population see, for example, United Nations, *Methods for Populations Projections by Sex and Age:* Manuals on methods of estimating population Manual III (New York, 1956), and United Nations, *The Future Growth of World Population* (New York, 1958).

110 Ansley J. Coale and Edgar M. Hoover, *Population Growth and Economic Development in Low-Income Countries* (Princeton University Press, 1958).

[the] projected population consist mainly of children. For example, the difference of 120 million between [the] high and low projections for 1981 comprises 106 million extra children (age 0-14) and only 14 million extra persons over 15. . . . The difference in population (between the high fertility and low fertility projections) in the age group 6-13 jumps from 11 million in 1971 to 43 million in 1981 and 67 million in 1986. The average annual difference in expenditure on compulsory elementary education amounts to roughly Rs. 2 billion in 1981-1986. For the whole period 1956-1986, the extra costs of elementary education under high fertility amount to Rs. 30 to Rs. 25 billion".[111]

This type of analysis demonstrates the importance, from a social welfare point of view, as well as an economic point of view, of taking account of age structure in analysing future demand and future production needs. In fact, analyses of *per capita* national income, and of the growth of *per capita* national income, would, in some contexts, be more meaningful if adjusted in a similar fashion.

In view of the problems of adjusting the supply of professional and technical personnel to future needs, projections of supply and demand of such personnel clearly have a critical importance in development planning and in co-ordination of economic and social development. The International Conference on Public Education, at its meeting on the recruitment and training of technical and scientific staff at Geneva in 1959, recommended, among other things, periodic surveys "of present and future needs at the various levels (scientists, engineers, technicians and skilled workers) without prejudice to any one category." (UNESCO/I.P.E./6. 1959). The survey should include consideration of present staff, diplomas awarded, training facilities, funds available for the training and possible means of additional financing.

A number of countries, both developed and underdeveloped, have already undertaken projections of their requirements for specialized personnel. This is an important feature of planning in the Soviet Union and of countries of similar economy. In India, the report of the Engineering Personnel Committee in 1956 contained estimates of the demand for and supply of engineering personnel and indicated that, by 1960-61, there would be a shortage of about 1,800 graduates and 8,000 diploma holders in the various branches. A similar assessment in agriculture has been made by the Agricultural Personnel Committee of the Planning Commission (1958). The Ministry of Education of Japan recently carried out and published an analysis entitled "Demand and Supply for University Graduates" (1958). Efforts to determine requirements in relation to supply by means of projections have also been made in other Asian countries.[112]

Often the projections have to be quite crude. It is difficult to know the present supply, as a base figure, except in cases where there is compulsory registration of the personnel in question (as of engineers and architects in Turkey). Questionnaires have been used, but the returns are apt to be incomplete in coverage, while at the same time poorly qualified individuals may paint an unduly optimistic picture of their training and abilities. The processing of the data may also be quite time-consuming and expensive. The supply of graduates from domestic and foreign institutes is an important source of data as are census data and sample surveys where available.

Assumptions are usually made that the existing ratio of specialists to the quantity of production in industry, agriculture, transport and communications, etc., will be maintained in the future, so that, given the projected production figures, the educational requirements will be known. Ratios from other countries are sometimes used as a rough guide when local data are lacking. In Japan, requirements have been determined through sample surveys of employing establishments and projections based on expected annual growth rate of the economy, with the assumption that the distribution in the different branches of activities will remain constant.

Social programme approach

The planning of social expenditures in the public sector must be related to identifiable social programmes. A programme provides a logical unit for analysis in several ways. In terms of technical resources, each programme is associated with the specific technicians and specialists whose research and advice provide the factual basis for planning decisions at a more general level. In terms of the organization of the fiscal machinery, something akin to a programme[113] is subjected to an appraisal of costs and benefits in the budgetary process described earlier.[114] The projective techniques discussed in the preceding section have their practical application in the preparation of specific programmes. Below is a suggested list of such social programmes, grouped by major social purpose or function:

- Education
  - Primary schools
  - Secondary schools
  - Colleges and universities
  - Technical training institutions
  - Adult education, libraries, museums
- Health
  - Hospitals
  - Medical and dental centres and clinics
  - Individual health services
  - Special health programmes
- Urban Services
  - Housing
  - Water supply
  - Sanitation
  - Recreation
  - Power; household consumption
  - Transport; buses, trams, etc.

While planning requires analysis at a more general level of the consistency of social programmes within broad social functions, or in relation to the over-all development plan, at the outset the planning process must be primarily inductive, and must focus on the analysis of social programmes.

111 *Ibid.*, pp.248-249.

112 See the report by Professor W. Brand, *op.cit.*

113 Sometimes activities, which logically call for a single coherent programme, are in fact dispersed in several departments, thus urban housing outlays may be undertaken independently by different public agencies. Proper programme appraisal requires that these activities be viewed as a whole.

114 See pages 32-33.

What are some of the characteristics of social programmes which distinguish those programmes which are important in the preparation of economic development plans? First, a note of warning is in order. It is hazardous to appraise programmes, particular social programmes, in money terms alone. It is also necessary to judge such programmes in terms of quality—content, personnel, the intelligence and capacity of the social agency responsible. There will certainly be occasions when a social programme, whose social and economic effects seem very desirable on paper, will be turned down because of serious doubts concerning the agency's ability effectively to implement its proposal. These considerations may have special importance in the social field, where "success" in a given programme depends so much on intangible human factors, both in terms of the agency personnel and public response.

In most public social expenditure patterns, too, there are several programmes of great importance in quantitative money terms, and then a proliferation of smaller social programmes, where the specific programme costs are quite modest. These smaller programmes raise important issues of social policy and execution, but are usually of less concern for economic planning. Typical of these "pure" social programmes (to be judged primarily on humanitarian or welfare grounds, rather than in terms of impact on economic development) are projects to aid the handicapped, children and mothers, permanent invalids, lepers, opium smokers and other special groups; special programmes of social research; regulation and enforcement of social codes, and legislation relating to juvenile delinquency, prostitution, etc. The long-run economic effects of some of these specific projects, e.g. research on birth-control techniques affecting demographic structure, may be important, but basically the evaluation of these programmes and their inclusion in an economic plan must rely on the advice of specialists in the social field, and some common sense judgment on the part of planning authorities. There are rarely economic grounds which can be advanced for or against the inclusion of some of these modest, inexpensive programmes in the budget.

There are, however, other social programmes which pose very serious problems in the formulation of economic plans. These programmes usually involve large-scale money outlays over a period of many years. There are no rigid rules enabling us to list or identify such programmes, but they may often have some of the following general characteristics.

They may often include an important element of capital, as well as current, expenditures, and thus entail the construction of buildings and other permanent facilities, the purchase of equipment and the associated problems of training of personnel and other provisions for the long run staffing, repair and maintenance of these facilities. Difficult problems of phasing these expenditures, e.g. the proper timing and integration of the hospital construction, the purchase of equipment abroad and at home, the training of doctors, nurses, and so on, must be solved. There are also usually foreign exchange requirements for equipment, building materials, foreign technicians, and training of personnel abroad.

There are programmes which are intrinsically continuous and long-run, and which, once embarked upon, acquire a momentun of their own and require continuous long run programme planning. The establishment of social insurance schemes with broad coverage raises these long-run problems. Similarly, embarkation on a malaria eradication programme, owing to the technical and scientific nature of the problem, immediately enforces a rather firm schedule of activities and expenditure over about a decade. Often the long run estimate of requirements for social services calls for a demographic projection as a basis of expenditure programme calculations. This may be especially needed in the estimation of needs for primary and secondary education and for expanded urban services.

Other important social programmes raise questions of the proper kind and degree of financing of these social services through specific fees and charges, through the expansion of revenue sources at local levels of government, or through the stimulation of local contributions of labour and materials to social projects. This includes the question of how costs should be apportioned with respect to income class, family size, occupation, and so on. These financing problems arise particularly in the urban areas with respect to water supply, sanitation, recreation and housing facilities. The proper charges to be applied to housing provided to public employees raise a special problem in many countries of the region. Similar financing questions arise wherever medical and educational services extend over wide areas and begin to provide some quite specific and expensive (sometimes less essential) kinds of services. Thus, in the field of higher education, given adequate scholarships for qualified but poorer students, tuition fees may be justified as payment for the special services rendered. There are also similar cases where it is necessary to impose fees for medical services.

Finally, a rather obvious point, planning authorities may be specially concerned with those social programmes which propose to affect large groups in the total population. For example, in social programmes which drastically reduce mortality rates in the space of a few years, the effects (often unpredictable) on economic behaviour have in them the seeds of problems of the future. This may simply be another way of stating the essential oneness of social and economic problems at the national level.

General planning criteria

Planning agencies usually operate in the context of scarce resources, and when appraising social programmes they must be continually concerned with the *effective utilization of scarce resources*. In large-scale efforts to extend educational and health services throughout rural areas, every encouragement should be given to local self-help ventures to construct school buildings and clinics, to enlist the services of partially trained volunteer and paid workers in teaching and medical activities. Complete utilization of existing school facilities through double and triple shifts, more efficient use of teaching staff, and reduction of absenteeism is desirable. To some extent, school teachers, buildings and equipment must be utilized like scarce plant and equipment in manufacturing enterprises. In the health field, where

physicians are the scarce factor, the effective utilization of professional services may entail the training and use of nurses on a large scale to achieve some minimum of preventive medical facilities in the countryside, these limited services being then supplemented by periodic visits by physicians. At times, "economy" in the use of scarce resources may mean additional outlays on specific and strategic items. Thus, the doctor may need a vehicle to achieve a more complete dispersion of his scarce skills over his district; or the effective use of teachers and buildings may require the import of textbooks.

The nature of urban services limits the scope of some of the local self-help techniques possible in rural areas. A rural primary school can be built by local volunteer labour with local materials. An urban playground may be built in the same way. But the construction of an urban sewage disposal system is a different matter. It is important, therefore, that the expansion of large scale expensive urban service facilities be accompanied by the levying of appropriate charges and fees to meet the operating and capital costs of the system. There will be a need for adjustments of the patterns of charges, rents, fees on the basis of ability to pay, or for subsidies, e.g. low cost urban housing. A continual effort should be made, however, to adjust these charges to a level compatible with actual costs.

There must also be an *internal consistency* of social programmes within broad social fields. The expansion of primary education facilities and opportunities, for example, inevitably generates an increased demand for secondary and higher education. Educational policy and curriculum as well as programme expenditures must finally be viewed as a whole. Relationships of quantity and quality of educational output are also critical in expanding educational systems. Emphasis may be placed on achievement of some very minimum standards of, for example, literacy; or effort may be concentrated on the training of fewer highly skilled professional and technical personnel.

In the health field, internal consistency refers possibly to the relation of preventive and curative medical facilities; the relation of continuing health services to "crash" programmes to eradicate mass diseases; or the priorities to be assigned to different mass disease eradication programmes. Questions of priority and consistency in these programmes depend not only on programme costs benefits, but also on medical and scientific knowledge regarding the causes, effects and interrelationship of various diseases.

Finally, the efforts in all important social fields must be *geared to the strategy of the over-all development plan*. The specific links between a general economic plan and social programems are much easier to identify in the educational field, for the educational system as a whole yields specific outputs of trained individuals. If, for example, the plan calls for a major industrialization effort, this in turn implies a specific need for technicians. The existing stock of abilities in this field can be assessed through manpower surveys, and the educational and training needs expanded or modified to provide these specific personnel outputs at the appropriate time. General educational policy and curriculum can also be examined to see whether the system is providing graduates with not only the specific skills but the basic motivations required for economic advance. Thus, an educational system is ill-conceived if it produces a large number of young graduates whose training and expectations point toward a white-collar clerical post, while the nation requires mechanics to fulfil its industrialization targets. If, the main theme of the plan is an improvement of agricultural productivity, then this requires not only the training of technicians but also information and education activity among the cultivators themselves.

It is much more difficult to relate the "outputs" of health programmes to the general economic plan, for the effects of improved health and longer life on economic activity, while undoubtedly positive, are more difficult to identify. In order successfully to utilize the human energies released through the eradication of mass disease or through gradual improvement in health, it will often be necessary to incur other social expenditures, particularly for education, in order to channel these energies in productive directions.

The provision of urban services has a more specific and measurable relation to total development plans. If the plan is designed through direct means and/or promotional legislation to stimulate industrialization, there is bound to be an effect on the rate of urbanization and the need for providing basic services, not only for the new industries directly, but on the creation of social services for the increasing urban labour force. The growth of government military and administrative establishments also stimulates urbanization and the demand for urban services. The problems of planning outlays on expanded urban services, while somewhat neglected in this paper, are important in most countries of the region.

Analysis of social programme: two case studies

The purpose of this final sub-section is to analyze two important social programmes, malaria eradication and primary education. These programmes are significant in the sense suggested in the previous sub-section, i.e. they are important in money terms, require long-run thinking and programme continuity, and affect large numbers of people.

Malaria eradication programmes are being carried out or seriously contemplated in many countries of the ECAFE region, and have quite striking planning implications. The programme costs, surging and then declining towards the end of the eradication campaign, can be assessed with some care, on the basis of the experience in other country situations. The economic benefits or the economic problems posed by the programme are less easily measured. Little thought has been given to the use of the extensive organization mobilized for the malaria programmes for other economic or social purposes. While the policy decision to embark on malaria eradication programmes has already been made in most countries in the region, some of the considerations have relevance to decisions regarding future mass disease eradication programmes.

Primary education programmes claim a large share of total social expenditures in most government budgets. Policy commitments regarding the expansion of primary education opportunity, or more drastically compulsory primary education, have enormous future financial implications. The planning of these programmes illustrates the need for demographic projections mentioned in pages 39-40. A survey of primary education of ECAFE countries indicates a spectrum of demographic-educational structures which serve to clarify planning problems. These demographic data are, in turn, basic to the translation of primary education policies and goals into a concrete primary education expenditure programme.

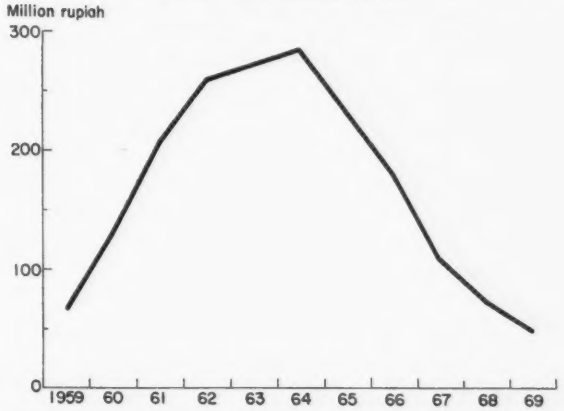
Malaria eradication programmes

Postwar efforts to control and eradicate malaria, using residual insecticides, constitute one of the most dramatic public health programmes being undertaken in Asia. The present status of this effort in southeast Asia has been recently described as follows:

> "On an ever widening front, the fight against malaria is being waged with increasing success and the change of strategy from malaria control to malaria eradication has been adopted by all the countries in the region. Ceylon, which had already launched an intensive anti-malaria campaign in 1946, is now almost entirely free from the disease. Afghanistan and Thailand are on the point of affording protection to everyone among their populations who are at risk, totalling two million in the one country and twelve million in the other. Burma is already affording protection to 9.3 million and, within the next three or four years, the programme is expected to cover all the 12 million people living in the country's malarious areas. In Indonesia, where about 75 million people are exposed, an ambitious plan of eradication costing 100 million dollars and spread over 11 years from 1959 to the end of 1969 is about to be put into operation. Nepal, with around five million people at risk, is also about to embark upon a nationwide eradication plan. And in India, a country of 400 million people, about half the population has already been protected under the national malaria control programme and from 1958 a countrywide drive has been launched to eradicate the disease in about six years at an estimated cost of about Rs 56 crores. In the task of eradicating malaria from the region, substantial assistance is being provided, apart from WHO, by UNICEF and America's International Co-operation Administration (ICA)".[115]

The ten-year malaria eradication programme recently adopted in Indonesia provides the following illustration of how an individual country programme appears in expenditure terms (see chart 1):

Chart 1
Estimated Indonesian Government Expenditures for Malaria Eradication project[a]



[a] *Plan of Operations for Malaria Eradication in the Republic of Indonesia*, WHO No: Indonesian 32, 17p., Annexet I-II, (mimeographed). Total Indonesian Government costs 1959-1969 will be 1,868 million rupiah.

The external assistance to this programme from International Co-operation Administration and WHO will be slightly less than the Indonesian share of the programme, and will cover the foreign exchange costs, e.g. insecticides, vehicles, spraying and evaluation equipment.

The period of peak expenditures, 1961-1965, will coincide with the "attack" phase—spraying plus early surveillance—of the operations, after which the Indonesian outlays are to drop sharply, and external assistance is virtually to disappear. The analogy of a "battle" often employed in such a campaign is probably an accurate one, for the organization of staff, logistics problems, execution of operations over great areas and in remote places, provisions for possible reversals or difficulties are much the same as in a military campaign. In addition to national demands for such programmes, there is the important fact that this is a specific public health programme with an international interest, and international and national agencies are effectively organized to wage this "war" and offer significant assistance in terms of imported supplies and equipment and technical advice. There is an additional technical and scientific urgency about launching and carrying through such programmes in countries, and Indonesia may be such a case, where there is a possibility of various species of mosquitoes becoming resistant to insecticides. This possibility raises the spectre of an insoluble technical problem, in the present state of knowledge, and therefore the likelihood that the costs of eradication at a later stage may be much higher.

These institutional and scientific factors, together with the striking effects of such control and eradication programmes on mortality and morbidity in other countries, e.g. the sharp drop in Ceylon from 1940 to 1956 of deaths from malaria per 1,000 from 1.54 to .02, are powerful arguments in support of such a programme.

If there is some general political decision that some progress should be made on the public health front in addition to the maintenance of the existing level of

115 C. Mani, "Public Health in South-East Asia" *Eastern World*, (November 1958), pp.34-36.

health services, malaria eradication may have some justification for priority over campaigns against other mass diseases in terms of alternative costs. There is some evidence that for each unit of outlay the reduction of mortality and disability is highest in the case of malaria. Other mass diseases have a high unit cost per person or case saved (e.g. hookworm or other intestinal diseases, where the cost comprises environmental sanitation); need to be accompanied by higher economic standards (e.g. tuberculosis, kwashiorkor, where better housing or nutrition are essential); or have relatively minor debilitating effects (e.g. yaws).

The general justifications of malaria eradication programmes in terms of its economic effects are often less convincing. The economic importance of the eradication programme for Indonesia has been described in the following way:

> "It is estimated that there are about 30 million cases of malaria with 120,000 deaths. These include 12 million and 48,000 wage earners respectively. Direct loss of productivity at a minimum wage of Rp 6 per day is Rp 360 millions. Loss due to impaired energy and output is estimated at Rp 2,150 to Rp 3,600 millions (15 to 25 per cent deficient output). Loss due to premature deaths is computed as Rp 1,152 millions. Each premature death is computed as involving a loss of 4,000 working days (20 years × 200 working days per year) among 48,000 potential wage earners prematurely dying of malaria. Adding 10 million rupiah on account of treatment, funeral and religious expenses, the total economic annual loss is computed as 3.5 to 5 billion rupiah".[117]

The weakness in this assessment is that it presumes that the man-hours and work days made available through the avoidance of premature death and debilitating sickness will lead automatically to increased output. This depends upon whether the land, capital, and organizational skills are available to make possible the actual utilization of this expanded labour-power. If there are, for example, large tracts of fertile land which have not been cultivated owing to the prevalence of malaria in the area,[118] then, with some allowance for resettlement costs, great gains in production may be achieved following the eradication campaign. There are such cases in Thailand and elsewhere, and this may have relevance in the Indonesian case in the regions other than Java.

Again, where production is centrally and effectively organized, as in estate agriculture, petroleum and other mining operations, in manufacturing, and, perhaps, in construction, there may be a good basis for forecasting a decline in absenteeism, reduction in medical costs for malaria victims, and increased productivity of the labour force. Again there is specific evidence from Sumatran estate operations or from oil concessions in Indonesia that would assist in making such specific estimates.

The efficiency of government services may also be improved through the reduction in absenteeism, increased effectiveness of military forces stationed in malarious areas, and so on. Again, specific evidence must be collected, or reasonable estimates made. The existing costs of medical services provided for malaria victims, or even projected expenditures if the disease were to go on unchecked, may be calculated. It may be more doubtful whether reduction in funeral and religious expenses due to malaria eradication can be treated as "savings"; much depends on the alternative uses to which these funds are applied.

The seasonal effects of malaria attacks also deserve special consideration in a thorough-going economic evaluation, for, when the attacks coincide with the harvest season, as they do in many countries, the effects on production may be correspondingly more serious.

These various approaches to the evaluation of the economic effects of malaria eradication however perhaps skirt the main issue. The bulk of the labour force affected by malaria is not urban, nor does it live in sparsely settled rural areas, nor work in the centrally organized productive units. Most persons are, rather, engaged in subsistence agriculture and live in densely populated areas, with little or no uncultivated areas, e.g., Java. The danger here is that the peasant will be freed from the scourge of malaria, only to face continued and deeper poverty. This is the problem of superimposing social advance on a static economic situation.

This is a deep and profound human problem, and no analysis in terms of economic effects and humanitarian motivation is possible. Two relevant proposals can be made, however.

Extensive organization is required for a malaria eradication programme. There are probably few government programmes which, by the very nature of the problem involved, must reach out as far into the hinterland, into the populous agricultural areas and remote villages as the malaria programme. The mobility required by the spraying and surveillance force requires considerable transport equipment; large numbers of workers must be trained in simple techniques associated with spraying, surveillance and evaluation. One would also expect that a programme which can so swiftly and effectively improve health conditions must create a warm response in the villages. Would it not be possible to use this psychological opportunity, and the malaria programme field organization, for a simultaneous attack (or perhaps with some time lag) on the basic economic problems in rural areas? A multiple purpose effect might include many other programmes, both economic and social. But perhaps the dissemination of techniques designed to improve agricultural productivity should have some priority, particularly in the more densely-populated and poorer agricultural areas covered by the programme. There would be many difficulties. Agricultural techniques are inevitably more complex, less easily taught, understood or accepted than the simple house-spraying and evaluation associated with the malaria programme. But perhaps a fresh look is needed at the possibilities of combining efficiently other programmes with the malaria programme.

One shortcoming in most malaria programmes, which in other respects are well-planned and comprehensive, is provision for an evaluation of the economic effects of the programme. This is no less important

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[117] *Plan of Operations for Malaria Eradication in the Republic of Indonesia, op.cit.*

[118] The same argument might apply to fish ponds and fishing grounds not fished, or forests not exploited because of malaria.

than the very thorough medical evaluation which is an integral part of such programmes. An economic evaluation should include not only *a priori* calculations of economic effects, but also a continuous assessment of the economic opportunities, e.g., new lands which are made cultivable, or of economic problems, e.g., overcrowding in some regions with reduced mortality rates, likely to be caused by the programme. This would assist in planning the maximum utilization of the human energies released as a result of the malaria campaign. A comprehensive study should also be made of the economic effects of malaria eradication in a country where the programme has been successfully completed, for example in Ceylon, where the medical results have been so striking.

Primary education programmes

Public expenditure for primary education, roughly speaking, the education of the 5-14 age group, constitute, at present and potentially a very large category. The statistics are somewhat unreliable, but it would seem that, in the great majority of countries in Asia, public expenditures on primary education are 50 per cent or more of the allocations for education as a whole (excluding capital expenditures).[119] Education usually takes the lion's share of public expenditure on health, education and social welfare.

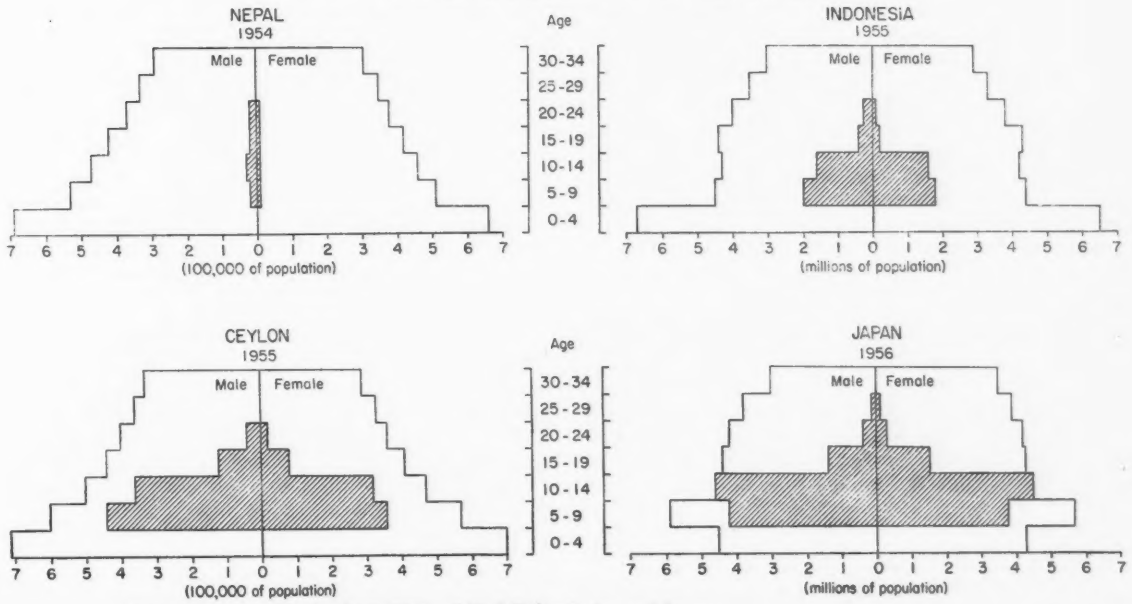
The planning of primary education outlays requires some knowledge of the existing demographic structure and also reasonable projections of this structure. In very broad terms, the planning problem is to relate these demographic projections to existing education enrolment, attendance and the aims of educational policy. An interesting descriptive device, and perhaps a useful starting point for a discussion of the planning of primary education expenditures in the countries of the region, is the construction of demographic-educational structure diagrams (see chart 2).[120] These diagrams schematize the planning of education at the national level, and are necessarily an over-simplification. Disparities between educational problems in urban and rural conditions; and regional differences, particularly in those nations covering an extensive geographical area, e.g. China, India, Indonesia, Pakistan, will often complicate and modify the conclusions reached and in some cases require a decentralized approach to the planning of educational outlays. The four demographic-educational structures shown will serve to distinguish four broad types existing among the countries of the region. The data underlying these charts, particularly relating to primary school enrolments (shown in the shaded portions of the various age groups) are not precise, and are, indeed, in part hypothetical. These four broad types do exist, however, and such structural differences help to explain and determine not only the magnitude but the nature of the expenditure planning problems of primary education. The auxiliary data relating to these four countries shown in table 3, also confirm these general configurations. Again, each specific statistical figure in this table is subject to many reservations and limitations, but all these figures taken together bring out the important differences in educational levels acheived (literacy rates); access to mass media (radio receivers) and scope of primary education system (school-age children errolled in schools).

[119] UNESCO, *World Survey of Education, Primary Education II*, (1958), p.30.

[120] *Ibid.*, pp.31-41.

Chart 2

Hypothetical Types of Demographic — Educational Structures
(The shaded area in the diagrams represents a rough estimate of the school-going population in each age group)



Source: *Demographic Yearbook 1957*, p.140, 142 for Ceylon and Japan;
Demographic Yearbook 1958, p.131 for Nepal;
The Population of South-East Asia, including Ceylon and China (Taiwan) 1950-80, United Nations, New York, 1959 for Indonesia.

Table 3

CEYLON, INDONESIA, JAPAN AND NEPAL: CHARACTERISTICS OF EDUCATIONAL SYSTEM

	Nepal	*Indonesia*	*Ceylon*	*Japan*
Estimated percentage of school-age children (5-14) enrolled in primary, secondary and technical schools.[a]	less than 20 (4)	20-40 (37)	60-80 (76)	80 or more (100)
Estimated percentage of children (5-14) enrolled in primary schools 1930-34[b]	4	35	62	61
Percentage of total population enrolled in primary, secondary, and technical schools[c]	.9	9.3	18.4	22.7
Estimated pupils/teacher in primary schools[c] . . .	...	62	36	36
Percentage literate of population 15 years and over, 1954[c]	4.4	15-20	63	97.9
Radio receivers per 1,000 population 1954[d] . . .	(1)	4	11	130

[a] United Nations, *Report on the World Social Situation*, (1957), table 2, page 67. Appendix A, pp.79-86, gives basic data for estimating more specific ratios.
[b] UNESCO, *World Survey of Education, Primary Education II*, (Paris, 1958), table 15, pp.58-60.
[c] *Report on the World Social Situation, op.cit.* Appendix A., pp.79-86.
[d] *Report on the World Social Situation, op.cit.* Appendix C., pp.89-90. Also *Statistical Pocket book of Indonesia*, which gives 594,705 licences for radio sets in Indonesia in 1957.
( ) Indicates rough estimate.

The first type, that of Nepal and possibly also Afghanistan, is that of a primary education system of very limited scope combined with a demographic structure with great growth potential. The demographic data in this instance probably have no specific realistic planning use, but are rather descriptive of the overwhelming magnitude of the problem. There is a fundamental and formidable problem of establishing a primary education system. It might be expected that teachers' training expenditures for allowances, equipment, buildings, scholarships abroad would be a strategic element in any planned expenditures; and any means for reducing costs of education per pupil, such as volunteer unpaid teachers, local contributions in kind to school building, or more extensive utilization of existing space through shifts, would be crucial. The situation also challenges educational policy to devise a radically new low-cost technique for achieving at least a minimum literacy level among a portion of the school-age population in a short period. Temporary and stop-gap measures may be inevitable in these circumstances. The estimated future costs of education in Nepal,[121] which call for an increase from 4 million Nepalese rupees in 1955, to 17.5 million in 1960, and 34.8 million in 1965, in order to increase school enrolment to some 360,000, seem to be entirely unrealistic, since total public expenditure in 1957/58 is estimated to be about 81.7 million Nepalese rupees.

The second type, exemplified by Indonesia, shows the results of a sharp increase in school enrolment ratios since 1950. This effort in Indonesia has had to contend with critical shortages of teachers and equipment, but has been able to utilize the local demand and enthusiasm for educational opportunities by drawing on local contributions to school building programmes. Indonesian demographic data provide useful illustration of how the demographic particulars affect planning. The total number of children in the school-age declined slighly from 1950 to 1955, facilitating Indonesian efforts to expand the school enrolment ratios. In the period 1955-1960, however, these efforts are severely handicapped, as the total number of children aged 5-9 is increasing by more than one-third. At a later date, slow down, as the comparatively small members of the increase in the school-age population will temporarily children born in the 1940's reaching reproductive age will affect the birth rate and consequently the size of the school-age population. This illustrates how population trends may affect a country's efforts to improve its educational structure.

The third type covering, perhaps, Thailand and the Philippines as well as Ceylon, is the situation in which a country has pushed quite far in the direction of universal primary education in recent decades. The high growth potential of the demographic structure will, however, make it difficult to maintain these high enrolment ratios in the future without greatly expanded education expenditures. This poses a serious problem for these countries, despite the fact that the *per capita* income and level of living generally is considerably above that in most countries of the region. An added difficulty is that these high enrolment ratios represent education success in only a formal sense, in fact, they

[121] The Nepal National Education Planning Commission, *Education in Nepal*, (Kathmandu, 1956), pp.197-205.

may have been achieved at the expense of a reduction of the quality of service provided. This is reflected in poorly trained teachers and high absenteeism, and a member of "repeaters" in the student body. These countries are therefore faced with the problem of increasing educational outlays to meet continuing demographic expansion and also to improve the quality of education. These twin aims may be met to some extent, but not entirely, by the effective training of new teachers. For example, in Thailand, where the education appropriations are about 15 per cent of total government expenditures, conservative estimates of educational outlays in the next five years (largely in response to demographic changes) call for an increase of 28 per cent in total expenditures for education—a 22 per cent increase in recurring expenditures and an 82 per cent increase in capital expenditures. In the same period, the number of teachers (in the first eight grades) must be increased by approximately 20 per cent.

The final type, is that of Japan, which is perhaps unique among the countries of the region in that it has already been highly successful in establishing universal education and literacy. It is therefore typical of more advanced countries in North America and Europe. These educational systems, too, are faced with many problems regarding the quality and direction of education, but these are essentially questions of educational policy and curriculum. The expenditure implications of these changes in policy may not be too serious, at least in Japan, where the demographic structure—reduced numbers in the 0-4 age group in 1956 data—increases the likelihood of a reduction in school-age population in coming years. In different demographic situations, developed countries may be faced with a quite different pattern of future expenditures. One moderate estimate of the primary and secondary school costs (excluding interest) of state and local governments in the United States indicates an increase from US$12,900 million to US$19,300 million (i.e. about 50 per cent) from 1958 to 1968.[122]

This spectrum of demographic-educational structure types indicates the difficulty of developing a single model for the planning of primary education expenditures. It may be useful, however, to suggest the general steps required in planning these expenditures.

122 Otto Eckstein, *Trends in Public Expenditures in the Next Decade*, a supplementary paper of the Committee for Economic Development, (New York, April 1959).

At the outset, certain primary education goals, such as the desired maintenance of a given primary enrolment ratio (percentage of children in relevant age groups actually enrolled or attending primary schools), and a desired teacher-pupil ratio, must be given. These goals may be later modified in the light of the results of the expenditure forecasts. One must also abstract from the problem of improving or maintaining quality of educational services. But at a later stage, the relationship between quality and quantity of service (usually inverse) in rapidly expanding educational systems will most certainly require examination.

On the basis of the demographic projections, the desired enrolment of the children in primary school in future time periods may be forecast. This must be translated into requirements for new teachers and new school buildings, equipment and other facilities, in terms of projected expenditures. The estimate of teacher training needs depends partly on the teacher-pupil ratio deemed desirable, the number of additional teachers needed because of increased enrolments, and an allowance for normal losses of teachers through retirement, death and so on, in the time period in question. All these requirements must be converted into expenditure for teacher training on current and capital account. The content of this teacher training also provides a strategic opportunity to attack the problem of equality of educational services, in so far as this is due to poorly-trained teachers. An estimate of the number, type and cost of new buildings and equipment needed must be made. Here cost calculations may be strikingly different for different categories and locations of buildings. There must be a full appreciation of the possibilities of utilizing local contributions of labour and materials in school construction, and also the strategic role of various pieces of school equipment, textbooks, even if they may entail a drain on foreign exchange. The potentialities of building primary school buildings in rural areas with self-help may be great. In one important province in Indonesia, some 80 per cent of the primary school buildings constructed in recent years were the fruit of local contributions of labour and materials. As education shifts to secondary and technical education from primary, and to an urban from a rural setting, these potentialities for self-help measures probably decrease. The graduation of needed teachers and the construction of new schools must be properly timed to mesh with the increasing school enrolments. It should then be possible to construct a tentative expenditure budget over the relevant time-span.

VI. ADMINISTRATIVE MACHINERY FOR THE FORMULATION AND EXECUTION OF DEVELOPMENT PLANS

The introduction of social and economic development plans in the ECAFE region has led the governments concerned to expand their administrative machinery and to set up special bodies such as planning commissions, co-ordinating committees and public corporations.

The functions of such bodies are considerably different from those of the traditional departments. And some duplication and conflict between the old and the new organs of the government are likely to result in the absence of a well thought out system of co-ordination. Development planning is a relatively new phenomenon, and the task of evolving a systematic co-ordination between the traditional departments and the new specialized organizations is engaging the attention of the governments concerned.

Broadly speaking, development planning involves two stages, namely, the formulation and implementation of plans. However, the two are closely related, and

a complete bifurcation of administrative functions on these lines is not feasible. Nevertheless, some demarcation is possible and indeed desirable while studying problems of co-ordination. Accordingly, in this section, the problems of administrative machinery for formulating and executing the plan are discussed separately, taking Ceylon and India for purposes of illustration.

The role of administrative structure in programme formulation

The majority of the ECAFE countries have development plans and certain procedures have been followed in their formulation. The case of Ceylon, which recently formulated a ten-year plan of development, may be briefly studied. The Government, which came into power in 1956, felt that there should be a comprehensive plan for the country's development and suitable machinery created for the purpose. With this in view, the National Planning Council Act was passed the same year creating the National Planning Council which is the highest advisory body for planning in Ceylon.

The main function of the Council is to advise the Cabinet on the planning of agriculture, industry, commerce, education, housing, health and social services, public utilities and all other matters pertaining to the national economy. To assist the Council in its work, a Planning Secretariat was established. It obtains information for the Council, provides advisory services and renders other forms of assistance to the Council. In the preparation of a comprehensive plan, the general approach of the National Planning Council seems to be: (*a*) to assess the actual potentialities of development in each field; (*b*) to put together a general framework for a long-term period of about ten years, and (*c*) to fit the specific programmes and projects of the Ministries and Departments into this framework.

More often than not, it is the department concerned which is the original source of a programme in the social or economic fields. The departmental proposals are considered by the National Planning Council and related to the general picture. The passage from the department to the Council involves consultations with the Treasury and the Planning Secretariat after approval within the Ministry to which the department belongs. Under the above-mentioned law, there is provision for each ministry to have Planning Committees to serve as focal points for the development plans and programmes of those Ministries. For example, up to October 1958 such committees had been established in the Ministry of Agriculture and the Ministry of Industry.

In addition, the Council established Technical Working Groups and Committees consisting of both officials and non-officials, on the basis of their specialized knowledge and experience in relation to the group concerned. Working groups range from one dealing with paddy production or ports or industries or skills to organizational arrangement for effective participation of rural areas in the process of planning and development. Participating officials include representatives from various ministries and departments concerned with the subjects of the Working Group. In this way, an attempt is made to achieve some kind of co-ordination at the horizontal level.

It may be noted that some of the members of the Ministerial Planning Committees are members of the Council's working groups, and therefore there is some kind of nexus between the two bodies concerned, even though there is no formal co-ordination between them.

The recommendations of the two bodies are appraised by the Council for incorporation in the general plan. The Council, being only an advisory body, submits its plan to the Cabinet which is the final authority for approving it and putting it into effect through the various ministries concerned.

In the formulation of a social or economic development programme, the machinery for consultation and co-ordination is still in the process of evolution in Ceylon. For example, the machinery for full discussion of the various proposals by the department concerned, the Treasury and the Planning Secretariat needs further development. Furthermore, in so far as the Ministerial Planning Committees do not have close working relationship with the National Planning Council where all points of view are appraised before general recommendations are made, further improvements in the consultation and co-ordination levels will be inevitable.

It has been commented that "the most unsatisfactory feature of the present situation is the slow progress made in planning—both in the elaboration of projects at the technical level, and in working out a consistent set of targets for an over-all plan, and exploring its implications on finance, taxation, foreign exchange requirements, etc. For this the lack of co-ordination between the various Government departments and the general inadequacy of the central planning machinery are largely responsible. The present conception regards over-all economic planning as something divorced from departmental functions; the National Planning Council is a purely advisory body, while the Planning Secretariat serves mainly the Planning Council, and it is divorced from the planning activities of an individual Government department".[123]

One of the principles of development planning which is commonly accepted in the ECAFE region, and one which is evident in Ceylon is that plan formulation should, as for as possible, start from the lowest level. In this respect, contributions are expected not only from the local levels of the administrative machinery but also through public participation. As already indicated, the committees and working groups established by the Council provide for the participation in their work of members of the public including representatives of employers' organizations and trade unions.

Concerning local administrative machinery, in Ceylon at the village level there is the Village Committee, which is an elected body and is the lowest unit of local government. Representatives of Village Committees

[123] N. Kaldor, "Observations on the problem of economic development in Ceylon" in National Planning Council, *Papers by Visiting Economists* (Planning Secretariat, Colombo, Ceylon, 1959), p.31.

participate in the District Co-ordinating Committee, one of the main functions of which is to formulate general plans for expenditure of funds allocated by the Central Government in the District. In addition to the Village Committee representatives, the District Co-ordinating Committee includes senior Government officers working in the District, Members of Parliament and representatives of Urban Councils. The Committee also examines the allocations required for the next financial year. Another of its functions is to co-ordinate the work of the various Departments so that there will be no overlapping. It is the intention of the Ceylonese authorities that the District Co-ordinating Committee should be the planning unit for the District.

It has also been remarked in connexion with planning at the village level that "there are several agencies at the Village level which are interested in development. There is, however, no co-ordination of activities nor is there any comprehensive planning at the village level. . . . There is a tendency for existing agencies to work at cross purposes without co-ordination and without common purpose".[124]

Planning machinery which has already started at the national level has not apparently fully seeped down to the local levels in Ceylon.

India offers another illustration of the formulation of a programme of development in social or economic fields. However, by way of contrast to Ceylon, it may be pointed out that in India there has been a consistent movement towards improved comprehensive planning since 1950, when it launched its first five-year plan. Again, India is a federal State, and plan formulation involves the co-ordination of State plans with the Central Government plan.

The chief agency for development planning in India is the National Planning Commission, organized in March 1950. It is an advisory body. The Commission is composed of eight members, the Prime Minister being the Chairman. The Ministers of Planning, of Finance and of Defence are also members. In addition to four full-time members, the statistical adviser to the Cabinet is a *de facto* member. Each member is in charge of one or more subjects of planning which are entrusted to separate technical divisions. The Deputy Chairman, who is one of the four non-Cabinet members, co-ordinates members' activities. The Minister of Planning has been allocated certain subjects like any other members; but he is also responsible for the Commission as a whole to Parliament and the Central Cabinet. In order to ensure co-ordination, the Deputy Chairman and other non-cabinet members concerned are invited to attend relevant meetings of the Cabinet and its sub-committees. Important issues relating to planning are discussed in the Commission prior to consideration in the Cabinet, and officers of the ministries concerned are present at such meetings.

The Planning Commission has its own office headed by a Secretary, who is also the cabinet secretary and consisting of (*i*) programme administration; (*ii*) general secretariat; and (*iii*) technical divisions. The programme administration division assists the members of the Commission in matters requiring field study and observation. Three senior officers known as advisers help the Commission to keep in close touch with the progress of planning and its implementation. They study at first hand the working of the various development schemes, giving greater attention to the more important projects in which the Central Government gives specific assistance, financial or otherwise. They also give specific attention to the problems of administration, finance and public co-operation in implementing the plan. The general secretariat deals mainly with questions of general co-ordination and administration. Technical divisions are headed by subject specialists. The divisions collect and process data to help the formulation of plan policies and programmes. They also engage in research and technical studies. There are twenty-two such technical or research units of which the following six deal with the social aspects of development planning: education division; health division; housing division; labour and employment division; prohibition section; social welfare division.

The Planning Commission is assisted by a number of advisory and co-ordination bodies. In addition, the Commission has evolved a system of technical committees, known as Panels, to secure expert technical advice and assistance. The Panels are composed of both officials and non-officials who have special knowledge and experience in the relevant fields. There are altogether seven Panels consisting of economists, scientists, educationists and experts in the fields of health, housing and regional planning, labour and land reforms.

In order to ensure the fullest co-operation and co-ordination between the Central Government and the State governments, India has set up the National Development Council, a high-level policy co-ordinating body presided over by the Prime Minister. The Chief Ministers of all the Indian States are members of this Council as well as the Planning Commission members. Ministers of the Central Government also participate in its work.

A brief account may be given of the procedure followed in the formulation of the second five-year plan in India. On the federal level, in April 1954, all Central Ministries were requested to submit memoranda relating to (1) the extent to which the first plan (1951/52-1955/56) had been implemented; (2) the extent to which and the manner in which proposals on policy and organization made in the First Plan were being implemented; (3) reasons for inadequate implementation of (1) and (2); (4) the programme for the next two years; (5) tentative conclusions relevant to the next plan which arise from the experience of the first plan; (6) objectives and targets to be secured in the relevant field for a period of, say, fifteen years; (7) priorities for the period of the second plan; (8) magnitude of the second plan in terms of the proposed priorities; (9) framing programmes needed to implement the plan; and (10) relation of the proposed targets to the development contemplated in other allied sectors.

In May 1955, the National Development Council met to consider certain papers including a "Draft Plan Frame" prepared by the Statistical Adviser to the Cabinet

[124] Ceylon, National Planning Council, *First Interim Report*, p.189.

with the co-operation of the technical divisions of the Planning Commission and a memorandum of "Basic Considerations Relating to the Plan Frame" by the Panel of Economists. The Council agreed with the approach indicated in these two documents and they agreed upon the objectives of the second plan. They also made a programme for drawing up the second plan, which provided time for discussion of detailed plans with Central Ministries and State Governments on the basis of the draft "Plan Frame" and other papers before the Second Plan was presented to Parliament.

In the meantime, the Central Ministers and Chief Ministers of the States had been requested to prepare their draft proposals for discussions with the Planning Commission in June and July 1955, respectively. Each State's proposals were discussed with the Chief Minister and other Ministers before examination in Working or Study Groups. These Groups are set up by the National Planning Commission for detailed investigation of particular questions composing of appropriate officers from the Ministries and the Commission. Subsequently, the reports of these Working Groups were considered again with the Chief Ministers. Discussions also took place with individual ministers and representatives of industries.

The estimates of the "Plan Frame" were revised in accordance with the results of the various considerations mentioned above. The National Development Council also reviewed the estimates of resources. The Commission then discussed with the Panel of Economists the main features of the forthcoming plan including the priorities and allocations of the items. A draft memorandum on the plan was published in February 1956. It was submitted to the Cabinet in April, and was considered by the National Development Council in the following month. By the middle of May, the second five-year plan was presented to Parliament.

Like Ceylon, India wishes to plan from below. At the State level, the Development Department is the planning authority. The Development Commissioner is responsible for co-ordinating plans of the various departments as regards priorities and financial allocations. The departments concerned are therefore very important sources of individual social and economic development programmes in the States. On the basis of departmental estimates and proposals, the Commissioner presents a draft plan which is discussed at a group meeting, this working group including representatives of the Planning Commission. The Planning Commission advises State governments to rationalize their schemes of expenditure, to moderate their demands on the Centre, and to raise additional resources on their own account. The Commission also undertakes reviews of progress of State development plans. In December 1954, the Planning Commission addressed letters to all the State governments for the preparation of draft district and village plans. The State governments were expected to integrate these draft plans into the State draft plan. State governments were requested to revise their draft plans following discussions with the Commission. The revised plan had then to be re-cast into plans for various districts, etc.

Another view of the state planning machinery can be obtained by reference to West Bengal, where State Development Plans are classified into: (1) General, concerning the state as a whole; (2) Regional, concerning more than one district; and (3) Local, concerning one district. The first two are dealt directly by the government departments concerned in the States. The local projects are initiated by the National Extension Service and Community Development blocks, and by the District Development Councils. The local units of planning are therefore districts and blocks.

In order to trace the process of plan formulation, a specific item of social expenditure dealing with education in one of the Indian States may be briefly considered. At the state level, expenditure on education is determined by the ministry in question, although discussions may be held with the Central Ministry. The procedure of plan formulation is empirical. For example, the ultimate objective is the attainment of universal primary education with acceptable quality instruction. In Bihar, for example, a survey of education was made by the Education Department, with Central assistance. Apparently census data on the primary school age-group was used to assess the number of schools and teachers required. There were in Bihar, at the time of the investigation, 38,000 schools. To attain the goal of universal primary education, it was estimated that 10,000 more schools and 5,000 trained teachers would be required. On this basis, the additional number of teacher training schools and their capacity was estimated. Targets were then formulated on the basis of these estimates to form the educational plan of the State.

Planning machinery in the ECAFE countries, as in Ceylon and India, is new and in its initial stages. In India, for example, it has received compliments as well as criticism. It has been remarked that the "formulation of the Second Five-Year Plan may be said to record another high water mark in the life of the Planning Commission. Through its various organs of Committees and Panels, the Planning Commission undoubtedly showed very considerable activity at this time. It also showed as during the First Five-Year Plan, considerable ability for evolving an appropriate approach to the emergent planning problem".[125] On the other hand, it has been stated that "though the over-all figures were placed in the Second Five-Year Plan in a more orderly structure, it was clear even at an early stage that neither the physical targets nor the monetary values had been built up through any realistic examination from below. Therefore, the new exercise in figures still remained abstract in the sense of its representing merely over-all national estimates . . . without any necessary operative significance and were not based on tested relationships. . . . In view of the complexity and volume of the total work involved it was perhaps inevitable that the over-all national figures and allocations presented initially should be somewhat notional. This implies at the same time that immediately after the general picture of the size and structure had been accepted there would follow a careful examination and building up from below of the various financial allocation and physical targets".[126]

[125] D.R. Gadgil, *Indian Planning and Planning Commission* (Harold Laski Institute of Political Science, Ahmedabad, 1958), pp.12-13.

[126] *Ibid.*, p.14-15.

The role of administrative structure in programme execution

In the execution of a programme, the departments concerned apparently assume the major responsibility. In some programmes, more than one department is involved. Co-ordination on the horizontal level between different departments is just as, if not more, important in programme execution as in programme formulation.

In the first place, co-ordination is necessary between functional departments and service departments. For instance, if the Education Department in Ceylon decides to establish a school, its plan will have to be co-ordinated with the Public Works Department for school buildings and equipment, and later with the Health Department which will provide facilities for the health examination of the students. Existing administrative machinery may contain established lines of co-ordination. In Ceylon, the Department of Education has maintained close liaison with the Technical College Department in regard to the curricula of junior technical schools and the Department of Labour in regard to apprenticeship matters.

There seems to be a movement towards making the Ceylonese Ministries more self-contained in recent years. For example, the Education Dpartment has been authorized to establish an Engineering Section to execute minor programmes which were undertaken in the past by the Public Works Department under a different Ministry. Similarly, the Director of Agriculture has established a Factory Section to manufacture agricultural implements.

The question of inter-departmental co-operation is apparently a crucial one in Ceylon. It has been stated: ". . . the allocation of functions between the different Government departments needs to be rationalised. At present there is a great deal of over-lapping which is a cause of both frictions and delays in reaching decisions (as for example between the Ministry of Lands, and the Ministry of Food and Agriculture) while in other cases the responsibility for a common task is divided between various departments, with the result that progress is unnecessarily delayed. . . ."[127]

In the execution of a programme which forms part of a comprehensive plan, the department concerned prepares the annual budget for the item within the framework of the general targets. In Ceylon, for example, it is a common feature of the different government departments to under-spend, sometimes by a considerable percentage, the funds which have been voted by Parliament. This has apparently been the subject of adverse criticism by the Auditor-General on a number of occasions. Departments in explanation give various reasons such as the delay in obtaining machinery, materials, etc., the time lag due to advertising, calling for tenders, and complying with the financial and other rules framed for the correct expenditure of Government moneys. In the total budget the percentage of under-expenditure may range from 3.4 for the 1956/57 budget year to 14.2 for the 1951/52 budget year. Under-expenditure for individual departments of Ministries may amount to as much as 35.9 per cent in a year.[128]

On the federal level in India, the execution of individual programmes are undertaken by the Ministries and Departments within them. In the planning machinery as it has evolved in India to the present time, the National Planning Commission not only plays a leading role in plan formulation but has also assumed important functions relating to the implementation of the plans. For example, two organs render service to the Commission; a Programme Evaluation Organization, whose function is to evaluate the community development programme periodically, and the Research Programme Committee which is responsible for evolving research schemes and sponsoring research by universities and other bodies. The Commission has also established the Committee on Plan Projects whose functions include the organization of investigations, including inspections of important projects both at the Centre and in the States through specially selected teams composing of technical personnel and competent public officials. The Committee also initiates studies with the object of achieving efficient implementation of the projects.

Concerning the execution of a development programme on the local level, the following illustration may be cited. The long-term objective of universal primary education is implemented at the village level through the National Extension Service and Community Development Blocks. For example, in 1959 an attempt was made to attain the objective of universal primary education in seventeen community development blocks selected from 575 such blocks in Bihar. The Bodh Gaya Block covers 96 square miles with a population of 60,000, of which 8,000 are in the 6-11 age group. A District Planning Committee was constituted for purposes of achieving the objective. In 1953, there were 20 primary schools with 700 pupils. At the end of the Community Development Block Stage I (March 1958), there were 49 primary schools with 2,100 pupils. A year later, there were 6 additional schools, and the pupils numbered 5,000, representing 62 per cent of the population of primary school age.

There is also some evidence of under-expenditure of the funds provided in the annual budget in India, as in Ceylon. For example, in Bihar, the expenditure on health and local self-government for 1957/58 falls short by 11 per cent of the budget provision under the State plan.[129]

Public participation is considered important at the plan formulation stage, and its importance during the execution stage is also recognized. In India, the community development movement gives an opportunity for the public to participate in the actual implementation of many development projects. The Programme Evaluation Organization, mentioned above, has been concerned mainly with assessing the achievements of the community development blocks, and "bench-mark surveys" have been made periodically. The States also issue progress reports of plan implementation. The Bihar Progress Report for the quarter ending 31 December 1957 found that, as against a total government expenditure of Rs 64 million, the people's contribution received in cash, labour, materials, land, etc., was slightly over Rs 65

127 N. Kaldor, *op.cit.*, p31.

128 Ceylon, *Parliamentary Series No. 14*, and *Auditor-General's Report 1955/56*, chapter 3.

129 Government of Bihar, *Second Five-Year Plan...A Review of Progress in the Second Year 1957-58* (1958).

million. For the quarter ending March 1958, the government expenditure was Rs 83.7 million, while the people's contribution was Rs 74.2 million.

Instances, however, are known of local resistence to the implementation of development programmes, particularly when the programme concerned resulted in violent social change. In Ceylon, for example, a newly constructed dam was cut open by the villagers whose lands came within the dammed-up area, ruining a large acreage under cultivation. In the Damodar Valley project in India, villagers who had been displaced in order to provide land for the reservoirs of the Damodar Valley Corporation (DVC) were not satisfied with the explanation that the scheme was in the national interest. The DVC endeavoured to arrange for their resettlement with the least possible hardship, and the hope was expressed that the displaced persons "would exchange his hovel for a decent cottage, darkness for light and fanaticism for faith". But local co-operation was reportedly not always forthcoming. In Bihar the DVC built 343 houses and reclaimed 4,495 acres of land. But the displaced persons occupied only 161 houses and 2,671 acres of land.[130]

As can be seen from above, there are many problems associated with the structure of a country's administrative machinery in the formulation and execution of social and economic development plans. It seems, however, that with experience gained in recent years the basic administrative machinery of the ECAFE countries has started to change to adjust itself to the age of planning which has emerged in the region.

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[130] D.V.C., *D.V.C. in Prospect and Retrospect* (1958).

FINDINGS OF THE WORKING PARTY ON ECONOMIC DEVELOPMENT AND PLANNING (FIFTH SESSION)

The fifth session of the Working Party on Economic Development and Planning for Asia and the Far East was held at ECAFE headquarters, Bangkok, Thailand from 15 to 25 September 1959 in accordance with the programme of work approved by the Commission at its fifteenth session. The purpose of this session was to deal with the problems of social development in relation to economic development as a whole. The findings of the Working Party on the subject under discussion are given below.[131]

Nature of the problem and experience in the region

The process of development, which attempted to create a "good society" could not be relied upon to take place as a spontaneous process of evolution in response to natural laws. Most countries in the ECAFE region had attempted to set specific objectives to be achieved in the course of development planning, and responsibility had been placed on the governments as active agents. Within the democratic framework, this responsibility of governments was conditioned by the interplay of individual preferences and public action. Most governments in the region had taken a pragmatic view of their role.

The social consequences of the Industrial Revolution in the West had been, at least in its initial stages, largely adverse. The ensuing social ills had led many people of the now developed countries, as well as in the developing countries, to be increasingly aware of the social aspects of development.

There were, however, additional reasons why social aspects should be given due weight in the planning of the under-developed countries of this region. In the first instance, certain patterns of social structure might tend to be an important obstacle to economic development itself. Secondly, in so far as economic development depended upon the mobilization of people as well as material resources, the attention of the planners must necessarily be directed to social programmes designed to improve the ability of people to contribute to this process.

Hitherto, techniques and principles of development planning had been directed more toward economic programmes. The share of "social expenditure", as conventionally defined — expenditure on social sectors, such as health, education housing, food subsidies, social welfare, etc.—in total developmental expenditure was in itself large enough to justify more attention to social aspects than had been given to them in the past, both generally in discussion and specifically at the previous sessions of this Working Party. But this high share alone—perhaps typically between one-quarter and one-third—did not give an adequate idea of its importance. A good deal of expenditure on the more "economic" sectors had a strong social content or a strong social motivation. Social considerations figured strongly even among those criteria which governed the more directly "economic" programmes.

Social measures and policies were not necessarily reflected in expenditure; this, of course, was also true of economic policies, but not, perhaps, in quite the same degree. Some aspects of social development, in fact, not only lacked any necessary reflection in expenditure, they were also not necessarily directly covered by the conventional definition of development policies. These aspects of social policy might play an even greater part in the development process than so-called "social" development expenditure as more narrowly conceived.

The proportion of expenditure devoted to social sectors and governed by social objectives was not only high, it also seemed uneven among the countries of the region. This alone made an exchange of experience among different countries desirable, and, it was hoped, would lead to the development of sound criteria by which expenditure could be allocated to economic, social and mixed programmes, and make it possible to determine whether there were patterns of expenditure appropriate to countries under given conditions or at various stages of economic development. In dealing with this group of problems, the Working Party was aware not only of the great importance of its subject, but also of the great difficulties standing in the way of a clear formulation and identification of tangible relations. In this field, the current techniques of statistical measurement and economic analysis were not sufficient.

The Working Party was fully aware that there was no sharp dividing line between social and economic development. The countries of the ECAFE region saw social and economic problems as parts of the over-all problem of development, and not as isolated entities. The multiplicity of objectives of the plans testified to this. Development objectives, such as increase in national income, industrialization, expansion of employment opportunities and reduction of inequalities in income, were all interrelated.

The proportion of resources devoted to social development in the various countries in the region in the past had, to a great extent, been determined by:

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131 Reproduced from E/CN.11/L.71 the full text of the report which may be obtained from the ECAFE secretariat. The text given here is complete except that the following sections of the original, not directly concerned with the problems of social and economic development, are omitted: paras. 1-12 (Introduction) and Annexes A to C (The list of participants, list of documents and agenda and annotated agenda).

(*a*) population growth, (*b*) level of economic development, (*c*) influence of public opinion, (*d*) the relative roles of public and private sectors in development, (*e*) adjustment of problems created by emergencies, such as famines, epidemics and floods, (*f*) burden of defence expenditure, and (*g*) social structure and customs. The Working Party agreed that these would continue to be the principal determining factors.

In the past, insufficient efforts had been made to gear social programmes consciously to the needs of development, even within the limits of available resources. In recent years, the ECAFE countries had shown considerable awareness of the importance of formulating over-all development plans which would influence the pattern of social investment in relation to the economic development programmes. There was also a definite trend, social programmes, to emphasize such elements as would have the greatest economic impact. It appeared, however, that there had also been a tendency for the traditional pattern of social development expenditure to perpetuate itself.

There seemed to be a general trend in the region to give priority to social programmes which would have considerable economic effects, such as community development, preventive health measures, vocational and technical education and housing for specific productive groups of the population.

It was recognized, in the discussion, that not all expenditures so labelled were in fact, social. For example, health improvements which merely increased the rate of survival in situations where there was a failure to provide an economic basis of utilize the increase in population productively might in fact become impossible to maintain in the long run. Similarly, economic expenditures might be social in effect; measures which increased agricultural productivity, for instance, might affect the great majority of the population and lead to better nutrition; economic programmes with emphasis on additional employment could have immediate social effects.

In the implementation of social programmes, it had been found, in some countries, that achievements fell short of targets set in the plans. Some of the reasons why this had happened were: (*a*) difficulties of financing and administering social programmes, (*b*) lack of proper co-ordination of efforts in the economic and social fields, (*c*) failure to take fully into account an increase in the rate of population growth and movements of rural population towards urban areas, (*d*) lack of trained personnel, and (*e*) lack of social awareness.

The Working Party noted the present trend in many countries towards undertaking social research for purposes of development planning. This was indeed an important step in the right direction. It seemed necessary to intensify social research for the purpose of improving the analyses and measurement of the economic impact of social programmes.

Interrelations of economic and social development

Social development was an expression which was used in several ways. In the broadest sense, it was the progress of peoples towards their social goals. The Working Party was generally agreed that these included both material and non-material ends—freedom from want and disease, the ensuring of human rights, respect for the dignity of man, widening the range of possibilities open to the individual and his access to knowledge, and harmonious social relations. All these goals had been incorporated in the constitutions of most countries of the region as well as in the United Nations Charter.

Social development might also be defined in a more restricted sense, to cover policies and expenditure in the fields of education, health, nutrition, labour relations, social security, housing and other services. Much of the discussion in the Working Party was concerned with social development in this sense. The Working Party was also concerned with problems of social structure, in so far as they influenced economic growth.

It seemed practically impossible to draw a clear distinction between the economic and the social sphere. Every economic phenomenon, or activity had social connotations and implications and was, by itself, also a social phenomenon. Conversely, any modification in the social structure had a bearing on the economy. However, intertwined as they might be, it was nevertheless desirable to distinguish, for practical purposes, predominantly social factors from predominantly economic ones. Education, health schemes, housing programmes, labour welfare and other social services, although essentially part and parcel of the national economy (particularly as regards their financing as well as their economic effects) were nevertheless, in a different category from directly productive activities. These, in turn, were connected with the social sphere by creating employment (a major social goal in itself), by producing incomes and commodities available for consumption, by providing the funds required for social purposes, and so on. The extent and nature of social services in any country should be determined in the light of its resources and development needs.

Although social development pursued the same ultimate objctives as economic development, the situation was by no means so simple in the shorter run. Certain social and economic projects were complementary, supporting and reinforcing one another, while others were in conflict, competing for the same scarce resources, or even having conflicting effects. Some social preconditions were required to start a successful process of economic growth: producers had to come to value material rewards more than leisure; they must have some guarantee that they would enjoy the fruits of their efforts; they must also be taught how to make the best use of productive equipment, and so forth. Increases in productivity and output could provide the necessary means to institute health and educational services, or to start housing programmes of a kind which in turn could lead to a further rise in productivity. These were clear cases of complementary activities. On the other hand, economic and social projects obviously competed with each other in the sense that resources devoted to the construction of new factories, new dams and irrigation works, for example, were no longer available for the building of new schools and hospitals. It was, of course, to be noted that both economic and social expenditures, in their turn, would have to compete with other types of public expenditure.

The Working Party recognized that three practically uncontrollable trends were rendering more acute the competitive aspect of the very complex interrelations between the predominantly social and predominantly social and predominantly economic factors in the area:

(*a*) The high rate of population growth in most countries of the region called for an increasing share of productive investment merely to maintain the present low levels of consumption (particularly in food), and to supply the capital needed to make if possible to employ the growing labour force, even at the present low level of capital intensity. The effect of the high rate of population increase was further intensified by the high proportion of the population in unproductive age groups, which placed an additional social burden on the active population.

(*b*) As modern communications media brought the way of life in richer, economically advanced countries ever closer to the populations of the under-developed areas, the international demonstration effect tended to create increased demand both for private consumption and for increased social services.

(*c*) The governments of democratic countries could not ignore pressure of public opinion, where it existed, for increased consumption and improved social services.

Considerable discussion took place in the Working Party on the validity of the concept of balance between social development and economic development or between social expenditure and economic expenditure. It was felt that, in general, there were severe limitations to the applicability of this concept to the problems of under-developed countries. Furthermore, in this particular problem area, it was recognized that the limited experience in the region also made it very difficult to define the concept and come to grips with it. Suggestions were made that, whatever the value, theoretical or otherwise, of this concept, some attempt could be made to abstract certain elements which might have operational significance, and serve as a guide to policy. From the ensuing discussion, it became apparent that even the broad criteria that emerged were not precise enough to remove the element of judgment. This was true particularly because social expenditure and social development comprised diverse elemnts; while the economic effects and the direct and indirect costs and benefits of certain social expenditure and social development items could be measured, this could not be done in the case of other items. Quantitative criteria were of much more direct use for determining expenditure within given social programmes, and for the selection of specific social projects. It was felt that the consistency of social, as well as economic, programmes and projects with available resources should be tested in various ways, and that this approach could well be further developed.

The Working Party found that certain social measures, not necessarily calling for considerable expenditures, had to be implemented to lay the foundation for both economic and social development in the future. Generally speaking, such measures should seek to create an appropriate social setting designed to foster rapid economic development. Certain types of measures, including regulations for the protection of industrial workers and for proper labour-management relations, because of their low economic cost as compared with their social advantages, could be given high priority in social development programmes. Adjustment in certain elements of the social system could aid in the gradual modification of traditional patterns of cultural value-systems. Incenstives for economic activity could be provided by the elimination of some of the rigidity imposed by the traditional structure of society. Agrarian reforms, transforming tenants into peasant proprietors, or at least regulating rents and fixing contractually the rights of tenants, might reduce apathy, and thus spur agricultural production and raise levels of living in the countryside. The institutional changes called for also included the establishment of a legal framework and, especially, of efficient state machinery which would enforce law and order, and take a determined lead in the development process. The nature of the state, i.e. th orientation of its leading groups, would definitely influence development patterns. All these transformations might often be the source of many hardships. In other words, the developing societies had to pay a certain social price for development. This social price had mainly been considered as a cost in a figurative way—but it also created certain real claims for a share in resources to offset disruptions in the economy and to relieve the social tensions created.

Other things being equal, good development planning justified giving priority to projects with mutually reinforcing or supporting economic and social effects, i.e. to economic projects which were most likely to contribute to the solution of urgent social problems and *vice versa*. It was shown that various projects in the field of agriculture, such as agricultural credit, land settlement and others, might achieve this twofold economic and social purpose by increasing production, employing underemployed labour, raising the level of nutrition, health and education of the rural population, with a minimum strain on scarce resources. Community development schemes, in particular, might achieve this twofold economic and social purpose by fostering initiative and a spirit of self-help and co-operation. Similar reasouing might be valid for certain types of cottage industries. General emphasis on labour-intensive projects and technologies might also often be desirable. Conversely, in the social field, other things being equal, priority should be given to those projects which will have the most pronounced economic impact. Thus, for example, among different health programmes, emphasis could initially be given to those specifically directed towards improving health conditions in vital development regions of the country. In the field of education, greater emphasis could be given to vocational and technical training; in many countries this was actually being done. It was, for example, pointed out that, in some countries of the region, there was already a certain amount of under-employment of educated persons, because the existing educational system did not turn out the kind of graduates who were required to satisfy the needs of the developing economy and also because of the lack of mobility of skilled personnel in certain lines between different areas.

Similarly, by giving priority to highly complementary projects, the areas of conflict between projects in different fields would be mitigated. For example, a new industry might be established in an area where it would not particularly aggravate the housing shortage.

The Working Party recognized that humanitarian considerations could justify high priority for social action, even if such action would not be unreservedly justifiable on strictly economic grounds. For instance, economic considerations should not be allowed to stand in the way of preventing the employment of children below a certain minimum age in industrial work.

For planning purposes, it was felt desirable to distinguish between social investment and social consumption. It was also important to relate capital expenditure (building a school or a hospital) to recurring expenditures on the maintenance of the services.

It was agreed that the development planner would have to take into account not only purely economic, but also different social variables. In doing so, instead of starting from preconceived ideas, he should study the functional interactions between economic and social factors and try, empirically, to trace specific ways in which such factors reinforced each other. The Working Party recognized that the systematic study of these interrelations and development of some means of measurement was highly desirable, and that much more research was required to shed light on it. Only on the basis of such investigations would it be possible to define some operational criteria which would prove useful as effective guides for policy decisions.

Development planning was an integrated process, which considered at the same time all social and economic factors. This implied that a picture should be formed of all costs and benefits, direct and indirect, of a given programme, and that, in deciding on a set of programmes, common criteria should be applied, as far as possible, to all, regardless of their "economic" or "social" label. Only on this basis would it be possible to ensure a rational allocation and utilization of scarce resources for development purposes.

Planning the pattern of public social expenditure

In the context of social and economic development, viewed as a whole, the Working Party was concerned with the more limited problem of public expenditure for social programmes. The criteria for allocating public funds between economic and social programmes and within the social field must take account of the traditional importance of family and private sector activities. It was probably true, for example, that private family expenditures for purposes such as health, education, housing and care for the sick, old and unemployed, in Asian countries constituted a very large share of total expenditures in these fields, although no precise data for determining this proportion were available. The size and direction of private and philanthropic activities in these fields were also important in many other ways in formulating government programmes.

The Working Party sought criteria which could be employed by those in responsible positions who must appraise expenditure requests and formulate expenditure programmes, and who, in fact, allocated funds to various purposes, social and economic. No generally valid criteria ware found. Neither the prevailing economic theory of public expenditures, nor sociological theories, seemed to meet this need. And while it was recognized that the analysis of costs and benefits, direct and indirect, of various programmes should be pushed as far as possible, it was also recognized that this kind of appraisal, apparently, could not be made easily and uniformly over a range of social projects. The absence of comprehensive and reliable statistical data in many countries of the region constituted a serious limitation. Moreover, many social programmes could hardly be justified on economic grounds, but were undertaken as ends in themselves. Thus, while efforts to measure and evaluate the economic and social benefits of proposed programmes were essential, it was probable that judgment and common sense would always play an important role, particularly in so far as social programmes were concerned. It was also noted that, in this process, there were three levels at which allocation decisions had to be taken: (*a*) between social and economic expenditure, (*b*) between social programmes themselves and (*c*) between specific projects within each field.

The Working Party discussed problems which were associated with the planning of social programmes, and which were of significance in the government expenditure patterns in the region. While no comprehensive statistical analysis was attempted, or was indeed possible at the Working Party session, it appeared that the distribution of expenditures of various social purposes in a number of countries followed a fairly similar pattern, in which public social expenditures listed by order of magnitude were (1) education, (2) health, and (3) housing, labour and social welfare, etc. As noted above, traditional expenditures tended to perpetuate themselves. It was also pointed out that there were some social programmes, involving modest expenditures, which might potentially have very important social and economic effects, e.g. family planning programmes. On the other hand, many expensive programmes might be considered beyond the capacity of many countries in their present stage of development, e.g. comprehensive social security and health schemes, as adopted in the more developed countries. It was emphasized that, in a democratic political setting, each significant social programme in existence reflected a certain demand on the part of special interest groups and the general public for these public services. It was clear, for example, that the pressures to expand primary education facilities were very strong in many countries of the region.

In this setting, and in view of political pressures and very real limitations of financial resources, the discussion suggested some guiding principles in the selection of social programmes. These appeared to be threefold: (*a*) the effective utilization of scarce resources in the formulation and execution of social programmes, (*b*) the proper phasing and relationships of the various elements of programmes in given social sectors, e.g. education, health, etc., and (*c*) the strategic role of certain social programmes in reinforcing economic programmes essential in the development effort.

In stressing the effective utilization of scarce resources in the formulation and execution of social programmes, the Working Party had in mind the kind of initial scrutiny to which programmes are subject in a modern budgeting process. The capacity of ministries or departments to absorb funds and implement programmes must be carefully examined and, where necessary, built up before allocating funds. The full implications of various capital expenditure proposals, in terms of recurring expenditures and future revenues, must be assessed. In view of the limited fiscal resources available in many countries, it was suggested that, other things being equal, a certain degree of priority for revenue-yielding social schemes might be justifiable. Special consideration should be given to the impact on the tax systems, both from the economic and social points of view, as well as to the need to reorientate the tax systems in the light of economic and social development expenditure. The foreign exchange content of the expenditure might be a crucial consideration, and this problem might be such a critical factor in development planning that a foreign exchange budget would be required. Encouragement should be given to social programmes that are specially designed to use effectively the scarce key factor, which may often be skilled personnel, such as physicians, teachers, etc. Programmes which involved the provision of expensive urban services, and facilities, e.g. water supply, sewage disposal, housing, usually posed financing questions which must be confronted at an early stage. It was noted that, where domestic resources were particularly scarce, the availability of foreign aid might influence expenditure patterns.

The Working Party also raised questions of a more general nature regarding the consistency of the phasing of social programmes within a given social field. In the field of education, there were important questions of general educational policy, such as the increased demand for secondary education consequent upon an extension of primary education, or the priorities to be given to a broad minimum literacy programme as opposed to a concentrated effort to increase the supply of limited technical and vocational skills. The expenditure implications of these alternative programmes might be quite different. In the field of health, similar questions of consistency were raised by the impact of mass disease eradication programmes on existing health services. Requirements of housing and other urban services might tend to grow rapidly. Then again, the various aspects of the housing programme must constitute a consistent whole. These aspects include facilities provided by governments for (*a*) housing research and experimentation, especially to provide low-cost housing, (*b*) housing credit, (*c*) stimulating self-help ventures.

Finally, it was generally agreed that social programmes which reinforced economic programmes had a special and strategic significance. The nature of these reinforcing programmes must necessarily vary, depending on the strategy of the development plan in a particular country. These were the widely recognized social programmes ancillary to industrial development. Clearly, when new industrial areas were established, e.g. Indian steel towns, the related social expenditures for training personnel, construction of housing, water supply and other urban services must be properly planned and executed. Another example could be taken from the Federation of Malaya, where the expansion of rubber production was an essential element in the programme of expenditure for development. The associated social programmes necessary to ensure the economic success of the plan included informational and educational efforts among small holders, to convince them of the need for replanting, malaria control and possibly other health measures in the rubber producing areas, and vocational training to teach labour to make the best use of new high-yielding trees. Similar examples could be given from the experience of other countries.

Administration and implementation of social and economic development programmes

Since the test of good development planning lies in successful implementation, the Working Party next turned its attention to the problems of administrative machinery. Poor administration led to waste and general inefficiency in the use of resources. This waste could take several forms. Thus, the capital and recurrent cost of schemes might be excessive, work might be poorly carried out, social legislation might not be properly applied in practice. Moreover, poor administration might mean that money allocated to projects or departments could not be spent. Defective health administration, for example, which failed to integrate the preventive and curative aspects of medicine at the village level, could unnecessarily increase the total number of doctors needed. Furthermore, it appeared to be a common practice to put up elaborate buildings, schools and hospitals, without making necessary provision for equipment and maintenance of the service.

Stress was placed on the need—not always sufficiently appreciated—to collect and analyze basic statistics required for economic and social development planning. The lack of reliable data for planning was considered by the Working Party to be largely due to a lack of the machinery necessary to collect data. Evaluation was cited as another instance where effective administrative arrangements were regarded as very important. A realistic evaluation of development programmes required the active co-operation not only of government officials in planning departments but also of experts and officials in other agencies.

Two kinds of co-ordination were distinguished: (*a*) vertical, i.e. between the central, provincial and local governments, and (*b*) horizontal, i.e. between various ministries and departments at a given level of a government. As an instance of the latter, the need for better liaison between the budgetary agency and the planning agency, was particularly noted. Several countries of the region had already set up national economic development councils and similar bodies to promote greater co-ordinateion and integration. Lack of communication between different governmental organs remained a major weakness, although some horizontal co-ordination had been achieved through the creation of inter-departmental boards or commissions. The Working Party warned, however, against elaborate administrative structures, and considered flexibility a key element in effective administration for development.

The new planning authorities created in the last decade were beginning to share, with traditional government departments, responsibilities in the formulation of expenditure programmes. This growing collaboration between the traditional authorities and the new planning agencies was a desirable trend. It was widely recognized in the Working Party, however, that effective formulation and execution of development programmes, and perhaps social programmes in particular, called for something more than planning at the top. There must first be planning in the individual government departments; it was they which must inevitably provide the specific evidence and technical advice which formed the basis of programme appraisal by the broader planning and financial authorities. An understanding of the planning process, a development consciousness, on the part of the officials throughout the administrative hierachy, was required.

It was also generally recognized that extensive public participation in planning constituted an important means of achieving integrated economic and social progress. On the other hand, it was stated that full public participation in the planning process was necessarily limited by the complexity of the problems involved.

It was recognized that, in the countries of the ECAFE region, the initiative might often have to come from the government. The role of the central government might in time be modified with the emergence of initiative in respect of development policy from local authorities, private institutions and voluntary organizations, at village and town level.

The immediate need was for more and better qualified technical personnel and specialists. Financial and other incentives were mentioned as a key factor in meeting the shortage of technically qualified staff. The training of administrators with emphasis on planning and development, was also essential in many of the countries of the region. In this connexion, the importance of integrating local planning with national action emphasized the specific need for training officials for local administration.

It was suggested that ECAFE might explore the possibility of providing training facilities, in co-operation with the technical assistance programmes of the United Nations, for persons engaged in the task of planning, implementing and evaluating development programmes.

The Working Party stressed the great importance it attached to manpower surveys and planning as a means of promoting and integrating economic and social development. Manpower surveys were necessary to assess the availability of persons with essential qualifications and the needs for personnel in various sectors of the economy, as well as for the provision of vocational guidance. Manpower requirements were difficult to assess in the region because of the lack of reliable data and the difficulties in forecasting the future trends in the economy. In this respect, as in the formulation of social programmes generally, the use of perspective planning based on projections, was recommended, wherever possible. It was necessary to remember that technical personnel had to be complemented by a supply of less skilled workers.

In conclusion, the Working Party felt that its discussions on the problem of social and economic development had necessarily been exploratory. There was a general feeling that the subject merited further study in its various aspects, including the development of techniques of analysis and measurement of the economic impact of social programmes and continued studies on detailed experience in various countries. The Working Party felt that there was a need for further work in this important and promising field. It recommended that the joint sponsors of this session explore the various possibilities of following up the results of this session, at the governmental or expert level, within the framework of the United Nations.

ASIAN ECONOMIC STATISTICS

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UNITS AND SYMBOLS EMPLOYED

Unless otherwise stated "tons" relate to metric tons, and "dollars" relate to United States dollars.

The following symbols have been used throughout:

* = average of six to eleven months.
‡ = 12 months beginning April of the year stated.
† = 12 months ending September of the year stated.
ø = 12 months ending Jnue of the year stated.
Mn = million.
I, II, III, and IV for quarters of years.

. = not applicable.
... = not available.
— = nil or negligible.
r = revised figures from this issue.
Figures in italics are provisional or unofficial.
Figures in brackets are from national sources.

Substantial breaks in the homogeneity of a series are indicated either by a horizontal line across the column or by vertical double lines in a row of figures.

SOURCES

To ensure comparability, data compiled or published by the United Nations Statistical Office have been incorporated wherever feasible; material supplied by governments, publications of governments, of the United Nations specialized agencies and of international commodity study groups have been used as additional sources.

GENERAL TABLES

REGIONAL STATISTICS

1. REGIONAL STATISTICAL SERIES

Annual and quarterly figures

	1951	1952	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II
POPULATION (*Mid-year, million*)													
Including mainland China	1,341	1,365	1,389	1,414	1,436	1,462	1,493	...	.	.	.	.	.
Excluding mainland China	783	796	808	819	828	841	853	865	.	.	.	.	.
AGRICULTURAL PRODUCTION[a]													
Index of agricultural production (excluding mainland China) (*1952/53—1956/57=100*)													
All commodities	...	93	98	100	103	106	105	108	.	.	.	.	.
Food	...	92	99	100	103	106	105	107	.	.	.	.	.
Per capita food	...	95	100	100	102	103	100	101	.	.	.	.	.
Cereals (*million tons*)	105.2	111.2	126.0	124.5	127.5	132.0	127.2	*135.3*	.	.	.	.	.
Rice (milled)	65.4	69.3	77.6	72.9	79.0	82.9	76.4	*84.7*	.	.	.	.	.
Wheat	15.6	14.7	15.7	17.7	18.4	18.6	19.6	*17.9*	.	.	.	.	.
Maize	4.8	5.5	6.9	7.7	6.8	7.3	7.2	*8.0*	.	.	.	.	.
Millet and sorghums	13.0	15.1	18.4	18.1	15.4	15.4	16.5	*17.8*	.	.	.	.	.
Starchy root crops (*million tons*)	26.0	28.7	30.4	31.9	33.8	33.9	34.9	*36.5*	.	.	.	.	.
Potatoes	5.4	5.6	5.8	5.8	6.1	6.0	7.0	*7.0*	.	.	.	.	.
Sweet potatoes and Yams	11.2	13.4	12.8	13.3	15.3	15.6	15.0	*15.3*	.	.	.	.	.
Cassava	9.4	9.7	11.8	12.8	12.4	12.3	12.9	*14.2*	.	.	.	.	.
Oilseeds (*million tons*)													
Groundnuts (in shell)	3.9	3.6	4.2	5.0	4.7	5.1	5.4	*5.9*	.	.	.	.	.
Copra	2.5	2.4	2.3	2.6	2.6	2.8	2.7	*2.3*	.	.	.	.	.
Tea (*thousand tons*)	559	552	553	615	634	634	651	660	163	215	180	87	167
Tobacco (*million tons*)	0.6	0.7	0.7	0.8	0.8	0.9	0.9	...	.	.	.	.	.
Fibres (*million tons*)													
Cotton (lint)	1.1	1.1	1.2	1.4	1.3	1.3	1.4	*1.3*	.	.	.	.	.
Jute	2.3	2.4	1.5	1.6	2.3	2.2	2.2	*2.4*	.	.	.	.	.
Natural rubber (*million tons*)	1.8	1.7	1.6	1.7	1.8	1.8	1.8	1.7	0.4	0.5	0.5	0.4	0.5
INDUSTRIAL PRODUCTION													
Index of industrial production[b] (*1953=100*)													
Mining and manufacturing	88	90	100	110	124	149	167	170	165	170	175	186	*194*
Mining	104	94	100	100	116	133	149	151	147	154	154	150	*160*
Manufacturing	86	90	100	111	125	151	169	172	167	172	178	192	*198*
Food beverages, tobacco	83	91	100	101	120	131	137	142	128	126	132	186	*123*
Textiles	80	88	100	112	124	145	147	140	135	141	146	143	*147*
Paper and paper products	71	80	100	113	130	165	167	167	168	163	176	190	*199*
Chemicals petroleum and coal products	87	85	100	113	133	159	183	191	190	195	197	198	*219*
Non-metallic mineral products	88	92	100	114	119	140	165	169	168	167	175	172	*192*
Basic metals	88	91	100	109	120	142	157	151	150	151	160	169	*196*
Metal product	83	81	100	116	126	177	231	244	235	246	266	280	*328*
Coal (*million tons*)	82.4	85.3	88.4	85.2	86.8	93.1	104.1	103.5	24.7	25.7	26.9	*25.9*	*25.9*
Iron ore (*million tons*)	6.81	7.77	7.70	8.41	8.91	10.34	11.55	12.09	3.11	3.28	3.20	3.49	*3.91*
Tin in concentrates (*thousand tons*)	101.4	104.9	104.5	109.8	109.5	108.7	104.5	73.4	18.6	18.2	16.5	*15.9*	*17.8*
Petroleum, crude (*million tons*)	29.95	15.62	17.32	19.87	34.97	45.72	57.20	62.56	15.25	16.40	15.74	*15.90*	*16.87*
Salt (*thousand tons*)	5,008	5,160	5,275	4,965	5,443	5,234	6,726	*7,354*	...	...	...	...	...
Sugar (*thousand tons*)	2,812	3,647	3,973	3,783	4,660	4,857	5,025	5,047	...	...	...	...	...
Cotton yarn (*thousand tons*)	981	1,076	1,219	1,346	1,380	1,490	1,590	1,487	355	377	398	*379*	*382*
Cotton fabrics (*million metres*)	5,980	6,606	7,545	8,153	8,188	8,839	9,268	8,257	2,065	2,017	2,055	*2,106*	*2,089*
Jute manufactures (*thousand tons*)	896	992	942	1,013	1,145	1,268	1,209	1,255	310	307	321	*323*	*316*
Paper and paper board (*thousand tons*)	1,333	1,525	1,946	2,136	2,478	2,658	3,285	3,380	851	823	899	*973*	*1,004*
Vegetable oils (*thousand tons*)	785	839	879	969	1,084	1,150	1,317	1,173	292	308	279	*275*	*287*
Cement (*million tons*)	11.6	12.7	14.9	17.7	17.9	21.0	24.2	25.3	6.2	6.3	6.6	*6.4*	*6.9*
Steel (ingots & metal for castings) (*thousand tons*)	8,040	8,616	9,234	9,520	11,209	12,957	14,408	14,083	3,414	3,558	3,722	*4,115*	*4,600*
Tin metal (*thousand tons*)	67.8	64.7	64.9	74.5	74.5	76.9	74.3	48.2	11.3	10.8	10.2	*11.1*	*10.4*
Electricity (*thousand million kWh*)	57.5	62.4	67.7	73.3	78.8	89.6	97.4	100.9	25.9	26.1	24.3	*27.5*	*26.1*
TRANSPORT[c]													
Railway traffic (*thousand million*)													
Passenger kilometres	147.7	152.8	157.5	163.5	170.9	182.0	190.0	195.3	51.0	48.9	47.9	*47.6*	52.5
Freight ton-kilometres	92.9	96.5	100.0	98.3	107.5	117.5	130.2	131.2	31.7	31.8	33.7	*33.6*	*32.9*
International sea-borne shipping (*million tons*)													
Freight loaded	25.8	29.6	34.9	36.7	39.9	41.6	43.5	43.6	10.8	10.5	11.6	*9.1*	*13.6*
Freight unloaded	46.5	50.5	62.0	64.5	70.1	82.9	99.7	85.7	20.9	21.6	22.1	*21.7*	*25.6*

1. REGIONAL STATISTICAL SERIES *(Cont'd)*

Annual and quarterly figures

	1951	1952	1953	1954	1955	1956	1957	1958	1958			1959	
									II	III	IV	I	II
EXTERNAL TRADE													
Total value (*million US dollars*)													
Exports	9,721	7,692	6,940	7,269	8,358	8,903	9,399	8,829	2,030	2,198	2,391	2,155	*2,464*
Imports	9,576	9,583	8,882	8,540	9,142	10,922	12,983	10,563	2,567	2,454	2,614	2,422	*2,772*
Quantum index[a] (*1953=100*)													
Exports	100	99	100	109	124	133	141	137	128	137	147	133	...
Imports	96	97	100	105	110	131	147	127	120	118	129	120	...
Unit value index[a] (*in US dollars, 1953=100*)													
Exports	140	113	100	97	100	98	98	95	93	94	95	96	...
Imports	116	114	100	94	95	97	103	96	98	96	100	94	...
Terms of trade[a] (*1953=100*)	121	99	100	104	105	101	95	98	95	98	95	102	...
Export of primary products[e]													
Quantum index (*1953=100*)													
General	101	98	100	102	108	109	112	106	95	109	109	100	*108*
Food	99	96	100	107	108	115	120	114	105	114	105	107	*115*
Agricultural materials	107	101	100	99	109	105	101	99	84	103	111	99	*96*
Mineral products	81	95	100	95	100	111	133	112	112	120	111	76	*147*
Unit value index (*1953=100*)													
General	147	118	100	100	108	102	102	99	97	98	106	99	*103*
Food	94	100	100	105	95	91	93	92	94	98	100	85	*84*
Agricultural materials	189	131	100	97	119	111	110	102	97	97	110	109	*120*
Mineral products	105	109	100	93	95	101	102	108	107	106	109	108	*106*
Quantity of exports (*thousand tons*)													
Food													
Fish, fresh or simply preserved	121	145	153	164	180	173	172	279	52	67	85	73	*58*
Rice and rice products	3,410	2,945	2,654	2,987	3,294	3,244	3,988	3,064	907	644	503	*716*	*887*
Sugar	857	1,255	1,755	1,604	1,689	1,632	1,804	1,959	495	473	345	537	*605*
Tea	432	394	436	459	408	458	420	457	83	133	134	85	*92*
Spices	49	62	59	74	80	90	88	74	10	20	23	27	16
Agricultural materials													
Hides and skins, raw	44	22	24	24	22	20	20	18	4	5	5	4	6
Oilseeds, oil nuts & oil kernels	1,427	1,143	1,017	1,219	1,232	1,416	1,396	1,092	208	307	320	215	191
Rubber, natural	1,756	1,692	1,611	1,688	1,782	1,699	1,737	1,689	348	466	489	472	*449*
Wood and lumber	893	1,094	1,481	1,732	2,023	2,251	2,359	3,321	860	907	960	741	1,158
Cotton, raw	283	321	379	222	320	265	204	223	63	61	45	55	*43*
Jute, raw	1,078	841	982	892	981	958	785	906	123	106	278	201	*140*
Hemp, raw	149	127	132	122	135	143	141	109	26	28	25	30	30
Vegetable oils, not essential	425	495	404	499	602	515	450	417	95	120	119	81	94
Mineral products													
Iron ore	2,144	3,152	3,728	3,540	4,399	5,636	6,631	5,877	1,602	1,965	1,313	1,221	2,482
Tin ore and concentrates	42	46	45	45	44	45	42	27	7	7	6	6	7
Manganese ore	1,162	1,463	1,593	1,006	936	712	1,742	976	214	262	197	246	290
Coal	2,451	2,729	2,201	2,063	1,562	1,940	1,655	1,800	461	462	446	436	349
Crude petroleum	4,974	5,670	6,963	7,083	8,367	10,027	12,408	12,478	3,120	3,193	3,409	1,555	*4,322*
GOLD AND FOREIGN EXCHANGE ASSETS[f] (*end of period, million US dollars*)	4,742	5,317[r]	4,951[r]	5,013[r]	5,700[r]	5,442[r]	4,241[r]	4,023[r]	3,930[r]	3,947[r]	4,023[r]	4,190	4,254

GENERAL NOTES: In general, the regional statistical series cover the countries of the ECAFE region except mainland China, Nepal and, in most of the cases, Afghanistan and Iran; in some cases, other countries have also been omitted because of lack of data. Except in the case of mainland China, countries omitted from the regional series are, from the point of view of the series, usually less important. To ensure comparability, the countries included in different periods for each series are the same.

a. Crop year beginning from the year stated. FAO source except rubber for which the International Rubber Study Group figures are used.

b. This index compiled by the United Nations Statistical Office, covers Afghanistan, Brunei, Burma, Ceylon, China: Taiwan, Federation of Malaya and Colony of Singapore, Hong Kong, India, Indonesia, Iran, Japan, southern Korea, Pakistan, Philippines, Sarawak, Thailand and southern Viet-Nam. For more detailed statistics and explanatory notes see United Nations Monthly Bulletin of Statistics.

c. For countries covered see table 5 below.

d. Based on quantum indexes of exports and imports compiled by governments for Burma, Ceylon, China (Taiwan), Federation of Malaya and Singapore, India, Japan, and the Philippines. Quantum indexes for Indonesia, Pakistan and Thailand are derived from unit value indexes. These national indexes are combined to form the regional index with the dollar values of exports and imports in the base year 1953 as weights. Exports of the countries included in the index account for 88 per cent of total exports of the region, excluding mainland China, in the base year, and imports of the countries included in the index account for 85 per cent of total imports of the region, again excluding mainland China. Intra-regional trade is not deducted, and the index shows changes in the total quantum of trade of ECAFE countries, and not changes in the trade of the region vis-à-vis other regions. The regional unit value indexes of exports and imports are derived from the regional quantum indexes and the total values of exports and imports of these countries in United States dollars.

e. Exports of 18 primary products and food from 19 countries and territories (excluding Afghanistan, mainland China and Nepal) are included in the index. To minimize the effect of transit trade, only export of domestic produce is included for Hong Kong and net export of rubber is used for the Federation of Malaya and Singapore. The quantity of exports of each item is totalled for 19 countries and territories and relatives have been then weighed by the total value of exports of each commodity in 19 countries and territories in terms of United States dollars in 1953 to form the quantum index. The unit value index is obtained by dividing the index of total value of exports in United States dollars by the quantum index. The commodities included in the index account for 44 per cent of the total value of exports from the 16 countries. (If Hong Kong and Japan are excluded, the percentage is increased to 58.)

f. Includes Burma, Ceylon, China (Taiwan) Federation of Malaya and Singapore, India, Indonesia, Iran, Japan (official only), southern Korea, Pakistan, Philippines, Thailand and southern Viet-Nam. Figures prior to 1952 exclude Japan and those prior to 1955 exclude Viet-Nam.

2. INDEX NUMBERS OF PRODUCTION

1953=100[a]

	Weight	1954	1955	1956	1957	1958	1958			1959			
							II	III	IV	I	II	July	Aug
CHINA (Taiwan)													
Industrial production[b]	100.0	107	119	125	142	149	160	152	179	172	183	188	176
Mining and quarrying	10.5	100	114	120	134	144	158	129	155	144	171	145	125
Coal	7.4	88	99	106	122	133	140	128	143	133	162	148	128
Manufacturing[b]	76.6	107	120	125	143	148	161	155	183	180	187	197	185
Food[b]	19.0	85	101	104	126	121	161	159	180	192	108	200	181
Textiles	17.8	116	122	115	128	119	116	108	141	131	149	141	145
Chemicals	9.5	109	120	134	158	164	164	153	198	190	211	207	198
Construction of buildings	1.1	106	145	104	118	177	157	174	178	129	119	117	130
Public utilities	11.9	115	123	135	149	162	160	161	179	164	178	192	183
Electricity	7.6	115	126	144	163	184	181	181	210	183	201	221	208
INDIA[c]													
Industrial production	100.0	107	116	126	130	132	131	128	128	138	136	...	...
Mining	7.2	103	107	110	122	128	133	120	126	137	139	127	...
Manufacturing	90.7	107	116	126	130	131	130	127	124	135	133	...	...
Food	11.8	96	115	124	134	...	...	...	...	...	...	...	...
Textiles	48.0	103	106	112	109	105	108	104	100	101	105	111	...
Rubber products	3.4	117	129	139	152	167	181	167	160	172	189	213	...
Chemicals	4.2	108	122	132	140	159	164	159	160	162	174	...	...
Non-metallic mineral products[d]	3.3	115	124	141	160	180	185	175	173	188	204	...	...
Basic metal industries	8.0	121	119	124	126	127	110	129	131	143	163	...	...
Non-electrical machinery	0.6	153	205	269	371	458	451	452	468	497	547	...	...
Electrical machinery	1.5	112	138	184	216	240	236	241	245	241	263	...	...
Transport equipment	2.9	113	171	236	246	229	198	240	212	238	248	...	...
Electricity	2.1	112	128	145	163	185	188	188	185	195	224	218	...
Industrial production (seasonally adjusted)	.	.	.	.	.	.	132	129	131	137	136	...	...
INDONESIA													
Export products													
General[e]	...	108	109	109	118	114	.	.	.	.	.	.	.
Estate	...	100	99	96	100	95	.	.	.	.	.	.	.
Peasantry	...	123	117	110	108	91	.	.	.	.	.	.	.
Mining	...	105	111	117	137	140	.	.	.	.	.	.	.
Estate products (7 items)	.	99	94	92	93	89	89	88	86	.	.	.	.
JAPAN													
Industrial production	100	108	117	144	167	168	163	166	176	190	201	209	209
Manufacturing and mining	92.8	108	117	143	169	169	164	167	177	192	203	211	211
Mining	7.2	96	97	107	118	114	107	114	120	109	112	116	108
Manufacturing	85.6	110	119	147	174	175	170	172	183	201	213	221	222
Food	11.5	108	115	122	128	135	119	119	110	203	120	132	128
Textiles	15.0	109	121	144	159	143	138	142	149	150	162	171	166
Chemicals	10.7	114	132	159	187	194	198	196	200	210	234	227	227
Ferrous metal	8.9	105	117	143	162	153	155	152	160	166	198	210	208
Machinery	17.0	113	114	166	230	247	239	246	274	284	339	358	363
Public utilities	7.2	106	114	131	146	155	154	153	165	146	174	184	177
KOREA, southern (1954=100)													
Industrial production	100.0	100	119	143	187	195	205	212	195	*174*	*211*	*220*	*224*
Mining	10.0	100	115	145	194	212	210	198	212	*230*	*255*	*267*	*262*
Manufacturing	87.0	100	120	143	188	194	206	216	194	*167*	*207*	*216*	*220*
Textiles	48.0	100	119	142	188	198	203	206	198	*190*	*209*	*211*	*217*
Metal products and machinery	13.0	100	128	179	235	208	191	245	208	*174*	*193*	*178*	*182*
Electricity	3.0	100	98	124	148	169	160	160	169	*184*	*184*	*184*	*186*
PAKISTAN													
Industrial production	...	128	161	182	192	*215*	206	*213*	*227*	*238*	*227*	...	...
Mining	...	101	107	125	130	*145*	140	*142*	*153*	*144*	*123*	...	...
Manufacturing	...	131	167	189	200	*222*	212	*234*	*222*	*250*	*236*	...	...
PHILIPPINES													
Mining	.	94	102	113	126	125	130	115	136	137	142	...	...
Manufacturing	.	113	127	147	159	170	168	174	170	176	198	...	...

a. Original base: *China (Taiwan)*, 1954; *India*, 1951; *Indonesia*, 1938; *Japan*, 1955; *southern Korea*, 1955; *Pakistan*, 1950; *Philippines*, 1952 for 1954, 1955 for succeeding years.

b. Sugar production is excluded from the monthly and quarterly index but included in the annual index. Weights relate to annual index.

c. Quarterly figures relate to the mid-month of each quarter.

d. Manufactures of non-metallic mineral products except products of petroleum and coal.

e. 18 products, including forest products (jungle wood and rattan).

3. PRODUCTION OF SELECTED COMMODITIES

Monthly averages or calendar months

Thousand tons

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
NATURAL RUBBER[a]													
Cambodia	1.9	2.0	2.3	2.7	2.6	2.8	2.4	3.1	4.1	1.7	2.5	3.3	3.2
Ceylon	8.3	8.0	7.9	8.1	8.3	8.5	8.1	8.5	9.4	6.1	6.0	7.3	9.1
Fed. of Malaya & Singapore	48.6	49.5	54.1	53.1	54.1	55.2	48.6	59.8	61.7	54.4	55.0	63.5	62.4
India	1.8	1.8	1.9	2.0	2.0	2.1	1.8	2.0	2.8	1.5	1.5	1.9	2.1
Indonesia	58.6	62.5	62.1	58.1	58.0	52.0	42.1	63.1	65.7	50.1	66.5	55.7	62.9
Sarawak	2.0	2.0	3.3	3.4	3.5	3.3	3.0	3.8	3.7	2.7	3.4	4.7	5.6
Viet-Nam	4.2	4.6	5.5	5.9	5.8	6.0	5.6	6.4	8.6	*2.9*	*5.3*	*6.2*	*5.7*
COAL													
China (Taiwan)	199	177	197	211	243	265	280	254	285	265	323	295	256
Federation of Malaya[b]	24	19	17	15	13	6	6	4	5	7	5	7	5
India	3,046	3,123	3,237	3,339	3,684	3,839	3,806	3,772	3,923	4,060	3,980	3,922	...
Indonesia	75	75	68	69	60	51	43	52	55	51	...	...	...
Iran	13	21	15	27	*27*	...	...	...	...	...	...	...	...
Japan	3,878	3,560	3,535	3,880	4,311	4,139	3,801	4,128	4,345	3,888	3,904	4,006	3,675
Korea, southern	72	74	109	151	203	223	209	201	290	277	313	342	344
Pakistan[c]	49	47	45	55	44	51	45	37	62	54	37	...	...
Philippines	13	10	11	13	17	9	10	8	7	6	...	...	...
Viet-Nam, southern	—	—	—	—	1.0	1.7	1.8	1.6	1.3	1.4	1.8	1.7	...
IRON ORE[d]													
Federation of Malaya	90	103	124	207	252	237	264	342	222	213	350	377	380
Hong Kong	10	8	10	10	8	9	9	8	10	10	10	9	10
India	309	333	361	359	391	483	486	450	533	640[r]	616	635	...
Japan[e]	128	136	126	159	187	167	166	178	182	160	203	230	225
Korea, southern	2	3	2	5	15	22	26	21	20	26	24	28	21
Pakistan	...	0.1	—	0.6	2.0	0.7[r]	0.2	—	0.8	0.5	...	...	...
Philippines	101	119	119	120	112	92	91	93	98	115	103	...	...
TIN CONCENTRATES (*tons*)													
Burma	*80*	*80*	94	67	59	*102*	*102*	*102*	*102*	*102*	*102*	*102*	*102*
China (mainland)	*525*	*625*	1,016	1,186	1,354	*1,524*	*1,524*	*1,524*	*1,524*	*1,524*	*1,254*	*1,254*	*1,254*
Federation of Malaya	4,763	5,139	5,186	5,274	5,020	3,256	3,331	2,900	2,812	2,855	2,964	3,265	3,095
Indonesia	2,858	3,036	2,825	2,545	2,347	1,968	1,980	2,281	1,796	1,554	1,920	1,605	1,739
Japan	62	61	76	78	80	92	93	94	96	90[r]	*90*	*90*	*90*
Laos	...	9	21	20	47	*41*	*41*	*41*	*41*	*41*	*41*	*41*	*41*
Thailand	885	828	933	1,057	1,145	654	640	640	642	641	849	868	719
PETROLEUM, CRUDE[f]													
Brunei	407	399	438	470	450	434	415	438	455	450	447	...	...
Burma	12	15	18	19	33	39	37	42	42	39	*46*	...	...
Indonesia	852	898	982	1,061	1,289	1,342	1,348	1,412	1,359	1,351	...	...	...
Iran	124	292	1,422	2,207	2,927	3,333	3,206	3,514	3,330	3,538	3,767	3,730	3,449
Japan	25	25	29	29	27	31	30	31	31	31	32	33	35
Pakistan	20	22	23	24	25	25	25	26	26	25	25	...	...
Sarawak	4	6	6	6	6	5	5	5	5	5	...	...	...
SALT													
Burma	5.2	7.7	8.4	7.2	9.7	9.2	10.6	9.5	8.9	...	...	...	...
China (Taiwan)	13.5	30.7	35.1	25.4	32.3	36.6	56.4	12.2	46.9	46.3	52.6	7.2	1.5
India	268.5	229.9	252.2	276.5[r]	307.0[r]	350.1	878.3	148.8	103.9	174.1	582.5	537.0	...
Indonesia	22.3	10.9	3.8	9.1	28.9	19.6	—	10.4	67.8	—	—	—	11.0
Japan[g]	38.4	35.4	46.1	52.3	69.3	88.2	84.3	111.5	90.1	75.8	100.1	...	...
Korea, southern	16.1	15.0	29.5	16.4	32.0	36.4	62.4	61.6	21.0	—	37.1	81.4	71.6
Pakistan	26.7	33.6	33.8	32.8	38.3	29.6	34.8	20.6	23.8	*20.4*	...	...	...
Philippines	4.0	4.0	6.7	5.3	8.6	11.6	...	...	...	...	...	...	...
Thailand	*29.5*	18.5	19.7	20.6	21.9	*29.2*	...	...	...	...	...	...	...
Viet-Nam, southern	...	...	6.4	5.0	6.6	5.1	10.9	1.3	1.8	...	...	...	...
SUGAR[h]													
China (Taiwan)	76.7	53.5	66.9	64.6	76.5	72.2	19.5	—	84.9	196.2	31.5	—	—
India	109.3	85.3	135.0	157.2	170.0	169.9	85.7	7.5	156.8	414.0	70.0	...	...
Indonesia	51.6	59.8	71.4	65.5	69.0	64.5	80.7	160.2	15.7	—	91.3	235.5	181.1
Iran	6.5	7.0[r]	6.9[r]	6.9	6.9[r]	9.3[r]	...	...	...	...	...	...	...
Pakistan	7.3	6.4	8.0	7.4	9.4	13.8	12.6	0.1	13.2	31.8	12.6	...	...
Philippines	85.7	108.4	103.7	97.0	85.8	100.6[r]	...	...	...	...	...	...	...
Thailand	3.0	3.7	4.5	5.4	5.7	5.8	...	...	...	...	...	...	...
TEA													
Ceylon	13.0	13.9	14.4	14.2	15.0	15.6	19.6	12.1	15.3	15.1	19.3	10.7	11.4
China (Taiwan)	1.4	1.6	1.1	1.1	1.3	1.1	1.2	1.6	1.0	1.0	1.9	0.9	1.2
India	23.0	24.4[r]	25.3[r]	25.2[r]	25.4[r]	27.0[r]	24.8[r]	45.9[r]	31.8[r]	4.4	24.1	43.5	...
Indonesia	3.1	3.9	3.6	3.5	3.9	3.9	3.8	3.6	4.3	3.7	3.4	3.2	3.0
Pakistan	2.1	2.1	2.0	2.1	1.8	2.2	1.8	3.9	2.9	0.2	2.3	...	...

3. PRODUCTION OF SELECTED COMMODITIES *(Cont'd)*

Monthly averages or calendar months — *Thousand tons*

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
COTTON YARN													
Burma	0.11	0.15	0.12	0.12	0.14	0.13	0.12	0.13	0.14	0.25	0.24	...	...
China (Taiwan)	1.6	1.9	2.1	2.0	2.3	2.3	2.1	2.3	2.6	2.3	2.5	2.6	2.6
Hong Kong	2.7	3.3	3.5	3.8	4.0	4.4	4.5	4.4	4.6	4.3	5.2	...	...
India	56.9	59.0	61.8	63.2	67.3	63.7	60.3	64.9	66.2	64.9	62.8	66.0	63.5
Japan	34.5	38.7	34.9	41.1	43.1	36.6	35.7	36.5	37.1	36.3	39.1	40.3	33.9
Korea, southern	1.1	1.7	2.2	2.6	3.4	3.7	3.6	3.6	4.2	3.9	4.1	4.1	4.3
Pakistan	4.5	7.3	10.4	11.4	12.0	13.0	11.9	13.4	14.4	24.4	13.8	14.5	...
Philippines	0.07	0.06	0.05	0.07	0.07	0.06	0.06	0.07	0.06	0.08	0.08	0.09	...
COTTON FABRICS (*Mn metres*)													
Ceylon (*Mn sq. metres*)	0.6	0.4	0.4	0.6	0.4	0.5	0.5	0.7	0.4	0.7	0.6	0.7	0.8
China (Taiwan)	10.9	13.8	13.6	11.6	13.0	12.2	13.1	11.4	13.6	11.9	13.9	13.1	13.1
India	372	381	388	404	405	375	371	378	377	374	370	388	373
Indonesia	3.6	3.8	4.2	4.4	4.7	4.6	4.1	5.0	4.8	...	...	...	...
Japan (*Mn sq. metres*)	196	222	210	242	268	218	224	203	213	219	231	228	215
Korea, southern (*Mn sq. metres*)	6.0	8.0	8.4	10.2	13.8	10.4	10.2	10.7	11.3	10.7	11.7	11.7	11.3
Pakistan	19.2	26.5	34.5	38.1	40.0	44.4	42.9	44.2	44.2	28.7	45.1	44.8	...
Philippines	0.9	1.1	0.9	1.4	1.2	0.9	0.7	0.9	0.9	1.0	0.9	0.9	...
Thailand	...	...	3.1	4.4	4.1	...	...	...	...	...	...	...	...
JUTE MANUFACTURES													
China (Taiwan) (Gunny bag. *Mn pieces*)	0.70	0.75	0.90	1.05	1.01	0.73	0.56	0.41	1.11	1.38	1.32	1.13	0.82
India	73.6	78.6	87.0	92.5	87.2	89.9	89.8	88.8	89.8	87.7	86.0	91.0	...
Pakistan	4.2‡	4.5	7.5	12.1	12.6	14.5	13.0	14.1	17.6	15.8	18.3	20.0	20.0
Thailand (Gunny bag. *Mn pieces*)	0.05	0.05	0.24	0.30	0.31	*0.29*	*0.29*	*0.29*	*0.29*	...	...	...	...
PAPER													
China (Taiwan)	2.0	2.5	2.8	3.6	5.0	6.0	5.8	6.0	6.8	6.8	7.0	7.5	6.4
India	8.1	8.7	10.1	10.4	10.7	13.1	12.7	13.1	13.7	13.6	12.7	...	...
Japan[1]	146.8	160.1	183.6	214.0	246.8	249.1	253.0	241.2	264.7	288.9	310.8	...	...
Korea, southern	0.8	1.5	1.7	2.0	1.8	2.3	2.1	2.2	2.8	2.6	3.2	3.2	3.3
Pakistan	...	...	1.1	1.4	1.7	1.5	1.1	1.8	1.4	1.8	1.6	1.5	1.9
Thailand	0.08	0.17	0.17	0.25	0.23	*0.23*	*0.23*	*0.23*	*0.23*	...	...	...	...
VEGETABLE OILS													
China (Taiwan): Edible oil	0.8	0.7	0.8	0.9	1.0	1.1	1.3	1.1	1.2	1.1	0.7	1.5	1.2
Federation of Malaya: Coconut oil	6.7	8.2	8.0	9.2	8.2	6.4	7.0	7.5	4.1	4.0	6.2	6.1	7.5
Palm oil	4.2	4.6	4.8	4.7	5.0	5.8	5.8	7.2	5.6	5.6	5.5	7.0	7.1
India: Edible oil (Vanaspati)	16.2	19.5	22.1	21.6	25.5	25.0	26.6	23.4	22.6	28.6	28.3	25.6	...
Indonesia: Palm oil	13.4	14.1	13.8	13.7	13.4	12.3	12.9	14.3	11.3	9.4	11.1	13.9	...
Japan: Coconut oil	1.2	1.6	2.3	2.0	2.4	2.2	2.1	2.3	2.3	2.4	3.0	...	...
Others	8.8	9.0	13.0	15.1	16.3	19.9	17.5	21.3	23.4	19.3	19.3	...	...
Pakistan: Vegetable oil	0.9	0.9	1.2	1.4	1.5	1.7	1.8	1.7	1.3	1.8	*2.3*	2.0	...
Philippines: Coconut oil	11.8	12.2	13.3	*17.7*	27.8	19.1	...	...	...	...	...	...	...
Singapore: Coconut oil	1.4	3.2	2.8	3.4	4.1	2.6	2.0	3.2	2.3	1.4	1.3	2.0	1.9
SUPERPHOSPHATES[j]													
China (Taiwan)	5.8	6.5	6.7	8.4	8.6	8.7	9.4	8.4	10.1	9.8	9.7	10.4	9.9
India	4.1	8.9	6.3	6.9	12.0	14.0	13.8	16.7	13.2	16.2	16.4	...	...
Japan	118.9	143.5	149.6	171.5	155.3	146.5	138.7	143.8	142.4	164.5	164.2	114.0	...
AMMONIUM SULPHATE													
China (Taiwan)	0.5	0.4	0.4	0.6	1.3	1.5	1.7	1.5	1.5	1.9	1.9	1.7	1.9
India	27.0	28.9	33.3	32.9	32.1	32.5	30.6	30.7	34.7	37.5[r]	29.4	...	...
Japan	161.3	172.9	177.4	193.6	206.7	217.5	221.5	227.9	223.2	225.0	238.2	235.8	...
PETROLEUM PRODUCTS[k]													
Burma	8.3	10.2	10.7	11.4	17.6	24.4	25.9	24.5	25.9	...	...	...	...
China (Taiwan, *thousand Kilolitres*)	27.0	37.0	51.0	52.8	55.8	56.7	52.0	53.8	62.1	63.2	76.9	72.0	54.8
Indonesia	808.2	825.8	863.9	859.0	911.1	847.8	773.9	852.8	888.3	918.5	...	...	...
Iran	...	234.2	606.2	919.2	1,285.3	1,257.5	1,298.3	1,283.0	1,191.0	1,229.0	1,290.0	*1,318.0*	*1,318.0*
Japan (*thousand Kilolitres*)	505.6	616.7	717.8	984.1	1,212.6	1,346.5	1,273.4	1,412.7	1,514.2	1,544.5	1,719.7	...	...
Pakistan	5.4	6.2	6.3	7.0	7.2	7.4	7.0	7.9	7.2	8.1	*7.0*	...	...

3. PRODUCTION OF SELECTED COMMODITIES *(Cont'd)*

Monthly averages or calendar months

Thousand tons

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
CEMENT													
Burma	3.5	4.9	5.0	3.2	3.1	3.0	2.8	3.5	3.8	3.1	3.4	2.9	...
Ceylon	5.5	7.0	7.1	7.1	4.1	6.7	6.4	6.7	8.0	5.5	6.8	9.3	4.5
China (Taiwan)	43.3	44.7	49.2	49.2	50.3	84.6	85.4	89.4	92.4	87.5	92.9	91.6	83.3
Federation of Malaya	6.4[s]	7.2	9.1	8.7	9.5	9.2	9.0	8.8	9.3	11.0	14.6	18.7	16.7
Hong Kong	5.3	8.4	9.7	10.1	8.7	12.7	10.5	9.6	15.5	13.8	13.7	8.2	9.2
India	320.0	372.0	379.9	417.2	474.3	513.6	532.3	487.0	470.7	537.0	609.0	563.0	...
Iran	5.4	5.2	11.0	18.7	11.6	12.2	10.8	13.9	12.7	...	...	...	...
Japan	730.7	889.6	879.7	1,085.3	1,264.7	1,249.0	1,171.0	1,257.0	1,367.0	1,214.0	1,428.0	1,393.0	1,419.0
Korea, southern	3.5	5.1	4.7	3.8	7.7	24.6	25.3	25.6	28.4	22.0	27.9	37.0	35.0
Pakistan	50.5	57.0	57.8	65.5	91.3	90.9	91.1	91.1	94.2	86.7	90.6	74.2	73.1
Philippines	26.5	26.7	34.1	37.0	37.2	46.2	44.4	47.7	53.2	53.2	...	...	...
Thailand	24.0	31.9	32.2	33.1	33.5	38.0	38.8	34.6	37.3	38.9	42.9	38.5	43.1
BUILDING BRICKS[m] *(million units)*													
China (Taiwan)	28.83	31.33	30.67	33.42	39.00	43.92	44.00	34.47	50.76	46.84	44.01	37.27	29.93
Federation of Malaya	6.51	6.92	9.05	10.76	11.90	11.00	11.65	10.91	11.00	10.10	9.11	9.84	10.12
Japan	18.33	20.00	19.00	21.25	23.00	19.00	20.00	23.00	20.00	12.00	20.00	21.90	22.00
Korea, southern	1.23	2.27	2.08	7.08	12.45	13.81	19.21	17.01	11.38	2.28	14.91	15.32	15.01
STEEL (ingots and metal for castings)													
China (Taiwan)	2.5	4.1	4.8	6.0	7.4	8.9	7.9	8.3	11.1	11.1	12.0	12.6	11.5
India	127.6	142.7[r]	144.3	147.1	145.2	153.5	132.8	163.3	160.0	184.6	195.4	...	...
Japan	638.5	645.0	784.0	925.5	1,047.5	1,009.8	966.1	1,013.5	1,072.5	1,175.4	1,325.0	1,411.2	...
Pakistan	0.9	0.8	0.9	0.9	1.4	0.8	1.0	0.7	0.6	0.7	0.7	0.6	0.8
TIN METAL *(tons)*													
Federation of Malaya	5,284	6,025	5,980	6,203	6,036	3,838	3,593	3,418	3,204	3,522	3,323	4,296	4,236
ELECTRICITY *(million kWh)*													
Cambodia	2	2	2	3	3	4	4	4	4	4	4	3	4
Ceylon	12	14	15	*16*	17	18	18	19	19	*19*	21	...	...
China (Taiwan)	130	150	164	187	213	237	236	236	263	239	262	298	271
Federation of Malaya[n]	64	73	79	84	89	74	75	70	71	70	78	...	...
Hong Kong	36	41	47	54	62	68	67	72	69	69	76	87	85
India	558[r]	627[r]	716	803	906	1,031	1,021	1,051	1,079	1,134	1,202	1,025	...
Japan	4,642	4,967	5,433	6,011	6,476	6,656	6,905	6,932	6,265	7,295	6,564	6,453	...
Korea, southern	61	75	73	93	110	126	119	119	140	134	138	138	139
Pakistan	34	41	51	64	78	...	...	...	...	...	...	...	...
Philippines (Manila)	52	58	65	77	93	107	105	110	111	112	162	132	130
Singapore	23	27	31	36	41	47	48	49	47	49	51	53	...
Thailand (Bangkok)[p]	8	13	16	18	22	*24*	23	24	*24*	*24*	*24*	...	...
Viet-Nam[q]	24	15	17	18[r]	18	20	20	20	21	21	22	22	22

a. Including latex. b. Lignite. c. Including lignite.

d. Approximate metal content of ores as follows: Hong Kong 45%; India, 65%; Japan and the Philippines, 55%; Federation of Malaya, 60%.

e. Including iron sand.

f. Specific gravity: Brunei, Burma, Iran, Pakistan and Sarawak, 0.84; Indonesia, 0.85; Japan, 0.90.

g. Production in government licensed plants only.

h. Annual figures relate to crop year for India, the Philippines and Thailand, but calendar year for other countries.

i. Including paper board.

j. 16% P_2O_5 content.

k. Comprising motor spirit, kerosene and diesel oil for Burma; gasoline, diesel oil, kerosene and fuel oil for China (Taiwan); motor spirit, aviation spirit, kerosene, heavy oil, wax and paraffin, asphalt and cutback for Indonesia; motor spirit, kerosene, distillate fuel oils and residual fuel oil (prior to 1957) for Iran; gasoline, diesel oil, kerosene, fuel oil, gas oil, lubricating oil and others for Japan; motor spirit and kerosene for Pakistan.

m. The data relate to total production of clay bricks for building purposes, including common and facing bricks. Glazed, refractory, paving, concreate, shale and sand-line bricks are excluded.

n. Including electricity purchased from Singapore.

p. Consumption of electricity; Bangkok Electric Works and Sam Sen Power Station.

q. Beginning 1954, southern Viet-Nam only, which represented 57% of total production in 1954.

s. Annual rate based on production of August-December.

4. CONSTRUCTION—NEW BUILDING

Monthly averages or calendar months

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
Ceylon: completed[a]													
(Floor area—*thousand sq metres*)													
Residential	6.27	7.22	6.72	6.49	5.97	1.88	1.58	1.36	2.42	4.10	*2.91*	...	...
Non-residential	2.29	2.70	2.02	2.20	2.54	1.46	1.50	0.71	2.23	2.80	*3.45*	...	...
China (Taiwan): completed													
(Floor area—*thousand sq metres*)													
Public	6.09	4.81	6.15	4.71	5.68	8.41	9.77	4.38	10.29	8.57	6.29	4.39	3.52
Private	22.39	25.67	32.73	23.55	26.67	35.85	22.95	40.74	35.95	24.58	24.39	25.50	29.88
Federation of Malaya: completed													
(Cost— *thousand Malayan dollars*)													
Residential	...	...	...	3,526	4,392	3,650	2,709	4,655	2,865	1,876	916	...	...
Industrial	...	...	...	347	413	271	203	286	451	292	69	...	...
Commercial	...	...	...	425	519	454	466	476	434	1,056	316	...	...
Others	...	...	...	990	1,221	949	904	1,129	777	897	479	...	...
Hong Kong: completed													
(Cost—*thousand Hong Kong dollars*)													
Residential	4,128	4,236	8,902	8,654	10,267	10,489	6,563	16,320	9,033	10,680	14,219	12,704	9,975
Industrial	564	671	862	815	1,016	2,330	1,470	1,672	4,877	1,688	675	3,399	1,322
Commercial	86	886	336	1,438	1,204	2,438	396	4,180	5,053	118	637	731	—
Others	1,828	1,807	1,845	2,197	1,696	4,847	4,160	3,733	9,156	1,259	941	1,837	361
Japan: started													
(Floor area—*thousand sq metres*)													
Residential	1,421	1,400	1,454	1,752	1,870	1,933	2,074	2,075	1,979	1,741	2,152	...	...
Non-residential	1,448	1,367	1,328	1,665	1,775	1,593	1,516	1,658	1,775	1,736	1,925	...	...
Korea, southern: permits issued													
(Floor area—*thousand sq metres*)													
Residential	...	...	13[b]	27	22	37	40	54	43	16	82	72	91
Non-residential	...	...	53[b]	65	66	67	83	88	68	47	113	102	108
Philippines:[c] permits issued													
(Value—*thousand pesos*)													
Residential	1,573	850	1,295	1,596	1,732	1,807	2,244	1,395	1,454	1,468	2,012	1,460	1,106
Non-residential	2,339	1,620	1,857	2,298	3,122	2,194	1,460	1,430	1,495	4,839	3,098	1,891	4,221
Singapore: completed *(Number of dwelling units)*													
Public[d]	227	239	279	184	124	340	...	...	...	...	...	...	...
Private[e]	148	120	200	186	156	145	53	75	110	53	16	19	549
Thailand:[f] permits issued *(Number of buildings)*													
Residential	251	214	244	201	204	226	237	213	200	193	163	170	...
Non-residential	57	72	72	64	44	27	28	23	30	26	20	8	...
Viet-Nam[g]													
(Floor area—*thousand sq metres*)													
Apartments	11.18	12.75	6.36	7.10	4.41	7.99	7.81	7.80	8.99	7.89	4.63	6.70	10.35
Houses	8.64	11.22	5.10	3.35	3.92	5.23	3.70	6.49	5.62	10.08	6.73	12.08	6.91
Others	3.69	4.09	2.10	2.82	1.99	2.80	2.97	2.57	2.06	2.58	2.71	11.59	1.35

a. Excluding particulars of buildings under building schemes. b. December. c. Manila only.
d. Comprising buildings erected by or on behalf of Public Works Department, Singapore Improvement Trust and City Council.
e. Quarterly figures exclude buildings erected in city area which are not available. f. Bangkok only. g. Saigon-Cholon only.

5. VOLUME OF TRAFFIC: RAILWAYS, SEA-BORNE SHIPPING AND CIVIL AVIATION

Monthly averages or calendar months

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
RAILWAYS[a]													
Passenger-kilometres (*million*)													
Burma†	47	57	66	70	78	90	101	*86*	*111*	...	...	...	...
Cambodia	4	4	5	6	7	6	7	6	6	6	...	...	...
China (Taiwan)	173	186	211	237	287	308	314	299	309	330	319	316	...
Hong Kong	7	6	7	9	10	9	9	8	9	10	11	...	...
India‡	4,723	4,892	5,040	5,464	5,554	5,718	6,110	5,420	5,407	5,935	*6,358*	...	...
Iran	31	34	39	37	72	...	...	...	...	...	...	...	...
Japan‡	6,963	7,253	7,603	8,174	8,437	8,851	8,945	8,994	8,628	8,835	9,205	...	...
Korea, southern	241	325	309	337	286	348	346	362	361	333	378	358	392
Pakistan‡	730	772	788	860	901	...	889	926	900	*871*	*1,011*	966	...
Philippinesø	32	35	37	43	49	58	70	51	61	60	76	58	...
Thailand	191	196	167	155	164	164	180	136	141	176	168	130	131
Viet-Nam[b]	8	11	31	32	37	36	35	35	35	44	38	42	...

5. VOLUME OF TRAFFIC: RAILWAYS, SEA-BORNE SHIPPING AND CIVIL AVIATION *(Cont'd)*

Monthly averages or calendar months

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
RAILWAYS[a]													
Freight ton-kilometres (*million*)													
Burma†	35	44	53	51	51	52	55	*45*	*46*	...	...	...	...
Cambodia	4	5	2	4	5	5	7	3	3	6	...	...	...
Ceylon†	21	22	22	24	25	22	20	26	25	25	*24*	...	...
China (Taiwan)[c]	120	122	137	142	159	158	158	147	168	164	168	153	...
Fed. of Malaya and Singapore	31	32	33	37	36	32	32	33	32	37	42	...	...
Hong Kong	0.29	0.33	0.51	0.65	0.57	0.66	0.50	0.39	1.22	0.53	0.49	0.47	0.69
India‡	4,002	4,159	4,595	5,166	5,892	6,239	5,762	6,045	5,987	7,160	*6,116*	...	...
Indonesia	75	81	88	87	87	89	...	...	...	...	...	...	...
Iran	79	99	104	113	125	121	114	111	130	137	...	...	...
Japan‡	3,358	3,277	3,500	3,859	3,971	3,731	3,624	3,497	4,099	3,705	3,919	3,827	3,832
Korea, southern	241	155	156	169	197	204	205	203	227	217	235	215	226
Pakistan‡	472	449	469	529	557	...	616	525	580	663	*645*	424	...
Philippinesø	12	12	13	12	13	17	15	16	13	15	16	15	...
Thailand	54	57	65	76	85	91	96	85	81	110	106	90	87
Viet-Nam[b]	15	12	7	5	7	7	8	7	8	8	9	9	...
INTERNATIONAL SEA-BORNE SHIPPING													
Freight loaded (L) and unloaded (U) in external trade (*thousand tons*)													
Ceylon[d] L	73	92	88	82	83	69	53	81	71	63	65	60	60
U	182	203	191	205	268	280	274	257	317	317	284	280	252
China (Taiwan) L	120	85	106	104	111	149	141	151	145	185	193	235	...
U	109	142	155	177	193	189	171	221	167	194	179	132	...
Fed. of Malaya L	182	183	226	284	310	258	288	391	218	186	442	437	...
U	185	193	231	241	235	221	211	207	227	208	223	215	...
Hong Kong L	126	126	141	162	143	163	163	151	209	149	159	163	147
U	279	303	347	385	426	443	436	429	478	416	449	438	473
Indonesia L	1,034	1,068	1,040	1,096	1,500	1,283	1,315	1,312	1,391	656	2,027	1,408	...
U	350	326	389	489	526	292	237	233	347	227	341	251	...
Japan[e] L	413	476	624	681	645	726	709	708	768	774	801	777	840
U	2,607	2,794	3,058	3,870	4,890	4,093	3,961	4,340	4,299	4,256	5,568	5,925	5,392
Korea, southern L	12	9	8	11	15	10	10	6	16	9	28	20	17
U	95	82	171	74	104	98	107	99	96	123	95	98	98
Pakistan L	109	101	124	120	100	92	73	75	131	110	*116*	101	112
U	293	218	236	335	382	373	425	334	319	375	*266*	402	344
Philippines L	375	442	483	587	494	466	442	410	496	...	...	...	...
U	283	251	280	347	297	242	220	247	286	...	...	...	...
Singapore L	438	450	510	552	554	483	519	417	444	389	443	468	452
U	732	769	883	921	958	855	857	792	769	755	756	888	793
Thailand (Bangkok) L	143	138	161	164	186	162	149	154	157	148	162	145	166
U	107	108	116	126	138	142	156	126	145	155	158	158	160
Viet-Nam (Saigon) L	17	36	39	28	47	40	40	25	41	...	...	...	...
U	106	126	111	108	115	126	134	123	124	108	138	175	...
Entrances (E) and clearances (C) of vessels with cargo in external trade (*thousand net registered tons*)													
Burma[f] E	104	122	116	112	117	...	195	174	...	...	...	...	...
C	135	168	154	155	149	...	231	159	...	...	...	...	...
India E	750	753	806	829	947	1,014	940	989	1,107	1,113	*1,116*	...	...
C	885	800	702	737	702	812	782	825	858	985	*890*	...	...
CIVIL AVIATION[g]													
Passenger-kilometres (*million*)													
Burma	4.58	4.55	5.11	4.99	3.36	...	...	...	...	...	...	...	...
Ceylon	1.67	0.77	0.79	2.45	3.28	3.81	3.86	3.96	3.53	3.58	3.65	...	...
China (Taiwan)	3.12	3.64	3.85	3.99	4.49	4.55	4.87	4.43	4.56	4.44	5.83	6.04	...
India	32.15	36.70	42.92	56.60	65.13	72.0	70.0	70.3	78.8	76.6	77.1	78.4	...
Indonesia	14.03	15.01	19.87	22.40	23.34	16.16	12.13	17.68	19.97	19.97	20.23	...	...
Japan	11.20	19.47	27.43	37.96	47.37	57.19	62.14	68.02	56.58	...	...	...	...
Pakistan	3.46	4.88	9.21	12.03	17.71	19.08	18.07	19.09	18.80	17.48	21.48	24.15	23.88
Philippines	18.97	10.84	10.08	11.74	13.94	15.61	17.53	14.24	17.17	16.88	22.12	17.76	17.03
Thailand	2.60	3.35	4.14	5.01	6.53	4.18	5.38	3.10	3.49	3.39	3.06	3.38	2.83
Freight ton-kilometres (*thousand*)													
Burma	127	181	112	94	66	...	...	...	...	...	...	...	...
Ceylon	69	12	14	118	144	120	127	120	123	123	*130*	...	...
China (Taiwan)	179	199	203	162	165	168	156	144	220	188	193	180	...
India	2,203	2,357	2,879	3,215	3,225	3,402	3,255	3,327	3,609	3,353	3,407	3,529	...
Indonesia	620	621	662	729	762	453	329	460	520	481	452	...	...
Japan	55	258	508	762	939	1,215	1,080	1,245	1,562	...	...	...	...
Pakistan	153	147	214	260	357	543	611	636	487	960	1,084	1,091	1,212
Philippines	778	398	347	335	386	347	328	341	407	363	387	397	396
Thailand	140	151	107	112	156	73	102	67	39	40	40	43	38

a. Railway traffic coverage: *China* (Taiwan), Taiwan Railway Administration; *India* and *Pakistan*, class I railways; *Indonesia*, postwar data relate to Federal area only; *Japan*, State Railways only; *Philippines*, Manila Railroad Company.
b. From August 1954, southern Viet-Nam only.
c. Including service traffic.
d. For 1953 port of Colombo only.
e. Excluding military and charity goods and transit traffic, including imports and exports by air and parcel post, and prior to 1955, including also trade in ships delivered as goods without being loaded on other ships.
f. Total number of entrances and clearances made during each voyage but excluding sailing vessels.
g. Scheduled domestic and international routes.

EXTERNAL TRADE

6. VALUE OF EXPORTS AND IMPORTS AND BALANCE OF TRADE

Monthly averages or calendar months

Millions

		BRUNEI (*Malayan dollar*)			BURMA (*kyat*)			CAMBODIA (*riel*)			CEYLON (*rupee*)			CHINA (Taiwan) (*NT dollar*)			FEDERATION OF MALAYA[a] (*Malayan dollar*)		
		Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
																ICA imports			
1953		23.5	9.5	+14.0	94	70	+24	161	124	+37	131	134	− 3	165	230	92	133	121	+ 12
1954		22.8	8.3	+14.5	100	81	+19	184	172	+12	151	116	+35	121	275	125	135	110	+ 25
1955		25.3	8.7	+16.6	90	72	+18	117	139	−22	162	122	+40	160	262	127	198	129	+ 69
1956		27.5	9.5	+18.0	98	78	−20	107	165	−58	144	135	+ 9	244	400	166	188	146	+ 42
1957		28.3	9.0	+19.3	91	117	−26	151	170	−19	140	150	−10	306	438	172	182	151	+ 31
1958		27.2	7.4	+19.8	77	81	− 4	154	220	−66	142	143	− 1	322	467	138	157	138	+ 19
	II	25.7	7.4	+18.3	96	63	+33	169	212	− 43	101	109	− 8	273	362	82	146	135	+ 11
	III	*27.9*	*6.7*	*+21.2*	73	82	− 9	150	188	− 38	167	151	+16	289	470	171	155	131	+ 24
	IV	*28.3*	*6.1*	*+22.2*	66	74	− 8	142	177	−35	156	175	−19	274	561	143	171	141	+ 30
1959	I	*27.8*	*5.2*	*+22.6*	72	82	−10	104	165	−61	134	148	−14	567	548	146	175	126	+ 49
	II	...	...	...	85	77	+ 8	207	148	+59	143	145	− 2	568	762	237	185	138	+ 47
	Jul	...	...	...	104	70	+34	174	192	−18	126	175	−49	311	748	227	229	151	+ 78
	Aug	...	...	...	108	87	+21	134	206	−72	139	273	−134	288	772	280	222	150	+ 72

		HONG KONG (*HK dollar*)			INDIA (*rupee*)			INDONESIA[c] (*rupiah*)			IRAN[d] (*1,000 Mn rials*)			JAPAN (*1,000 Mn yen*)			KOREA,[f] southern (*US dollar*)		
				Exports, domestic												Special procurement[e]			
1953		228	323	53	443	479	− 36	798	726	+ 72	0.72	1.41	−0.69	38.2	72.3	13.3	3.3	29.0	−25.7
1954		202	286	57	469	515	− 46	823	598	+225	1.02	1.88	−0.86	48.9	72.0	7.2	2.0	20.6	−18.6
1955		212	310	61	506	561	− 55	898	600	+298	1.46	2.25	−0.79	60.3	74.1	5.2	1.5	28.7	−27.2
1956		268	381	65	516	685	−169	838	813	+ 25	1.99	2.09	−0.10	75.0	96.9	5.0	2.1	32.4	−30.3
1957		252	429	62	536	855	−319	921	757	+164	2.30	2.62	−0.32	85.7	128.5	6.9	1.9	37.2	−35.3
1958		249	383	105[b]	482	720	−238	718	492	+226	*0.73*	*2.69*	*−1.96*	86.3	91.0	4.3	1.4	31.5	−30.1
	II	237	371	107	382	624	−242	634	460	+174	*0.50*	*2.54*	*−2.04*	81.6	93.0	8.8	1.2	35.2	−34.0
	III	244	359	100	544	604	− 60	781	456	+325	*0.58*	*2.48*	*−1.90*	82.6	87.9	3.7	1.2	27.6	−26.4
	IV	285	429	114	527	705	−178	840	484	+356	*0.87*	*3.32*	*−2.45*	95.7	86.5	2.3	1.9	28.1	−26.2
1959	I	221	334	151	451	640	−189	596	335	+261	*0.86*	*4.19*	*−3.33*	87.4	94.8	1.8	1.1	23.7	−22.6
	II	271	407	191	444	746	−302	1,041	427	+614	...	...	...	97.4	113.5	9.7	2.4	20.7	−18.3
	Jul	282	430	195	515	629	−114	885	533	+352	...	...	...	108.0	113.0	9.9	1.4	18.7	−17.3
	Aug	265	392	182	585	584	+ 1	...	...	...	...	...	...	108.5	104.5	2.4	1.5	19.8	−18.3

		LAOS (*kip*)			NORTH BORNEO (*Malayan dollar*)			PAKISTAN (*rupee*)			PHILIPPINES[g] (*peso*)			SARAWAK (*Malayan dollar*)			SINGAPORE[a] (*Malayan dollar*)		
1953		6	32	− 26	4.7	5.5	−0.8	121	97	+24	66.4	75.4	− 9.0	35.4	32.9	+ 2.5	221	252	−31
1954		3	47	− 44	6.4	6.2	+0.2	99	92	+ 7	66.8	79.8	−13.0	35.5	33.2	+ 2.3	224	252	−28
1955		4	55	− 51	8.7	7.3	+1.4	125	90	+35	66.8	91.3	−24.5	39.8	36.8	+ 3.0	281	322	−41
1956		4	103	− 99	10.1	9.8	+0.3	135	166	−31	75.5	84.4	− 8.9	40.6	38.7	+ 1.9	286	327	−41
1957		3	122	−119	10.0	10.1	−0.1	134	174	−40	72.0	102.4	−30.4	41.6	38.6	+ 3.0	290	338	−48
1958		5	87	− 82	10.9	10.7	+0.2	118	157	−39	82.2	93.7	−11.5	38.6	36.1	+ 2.5	262	312	−50
	II	5	74	− 69	10.6	10.3	+0.3	83	172	−89	83.5	87.6	− 4.1	35.6	34.9	+ 0.7	267	326	−59
	III	4	85	− 81	11.5	11.4	+0.1	87	143	−56	86.9	84.2	+ 2.7	41.0	36.7	+ 4.3	242	288	−46
	IV	5	75	− 70	11.2	11.2	—	131	143	−12	88.6	101.7	−13.1	42.3	38.1	+ 4.2	259	297	−38
1959	I	3	87	− 84	11.6	10.1	+1.5	117	137	−20	78.3	70.0	+ 8.3	44.7	36.6	+ 8.1	248	296	−48
	II	...	...	...	14.0	13.7	+0.3	108	103	+ 5	101.4	86.2	+15.2	42.3	36.7	+ 5.6	286	325	−39
	Jul	...	...	...	...	...	...	98	137	−39	122.8	97.8	+25.0	...	...	...	295	359	−64
	Aug	...	...	...	...	...	...	128	142	−14	...	...	...	...	...	...	293	321	−28

		THAILAND (*baht*)			VIET-NAM[h] (*piastre*)		
1953		492	514	− 22	157	883	−726
1954		515	556	− 41	164	946	−782
1955		597	600	− 3	201	768	−567
1956		578	624	− 46	122	614	−492
1957		630	697	− 67	232	842	−610
1958		538	668	−130	159	677	−518
	II	542	705	−163	184	732	−548
	III	502	624	−122	107	639	−532
	IV	473	641	−168	173	708	−535
1959	I	615	649	− 34	136	541	−405
	II	563	732	−169	170	652	−482
	Jul	730	748	− 18	292	628	−336
	Aug	552	824	−272	198	597	−399

General Notes: Special trade system for Cambodia, China: Taiwan, Indonesia, Iran, southern Korea, Laos, North Borneo, Sarawak and Viet-Nam; general trade for other countries. Figures on imports include aid unless otherwise specified.

a. Including movements between Federation of Malaya and Singapore.

b. For 1958 only, products wholly or principally of Hong Kong origin.

c. Data compiled and published in rupiah at the official rate.

d. Years beginning 21 March. Including value of exchange certificates. From 1957, quarterly figures on exports exclude petroleum; for 1952 and 1958 imports exclude "official" imports.

e. Not included in trade statistics.

f. Prior to 1955, figures based on foreign exchange settlements at the Bank of Korea. From 1955 onwards, government imports are still based on exchange settlements, but exports and private imports are based on data of Bureau of Customs.

g. Imports valued f.o.b.

h. Prior to January 1955, excluding trade with Cambodia and Laos but including transit trade of these countries with other countries through Viet-Nam. Beginning June 1955, trade of the Republic of Viet-Nam only.

7. VALUE OF IMPORTS BY PRINCIPAL COMMODITY GROUPS

Monthly averages or calendar months — *Millions*

	1953	1954	1955	1956	1957	1958	1958			1959			
							II	III	IV	I	II	July	Aug
BURMA (*kyat*)													
Food	9.4	10.3	8.0	6.8	10.9	*10.2*	10.5	9.5	*11.0*	...	...	...	...
Chemicals	4.1	4.6	5.4	7.1	10.3	*5.4*	3.7	4.3	*6.5*	...	...	...	...
Textiles	24.0	24.1	16.6	22.4	33.0	*16.0*	14.1	14.6	*17.3*	...	...	...	...
Base metals and manufactures	7.3	9.4	8.4	6.9	14.1	9.8	5.1	10.1	*9.1*	...	...	...	...
Machinery	5.8	7.8	7.3	10.1	12.0	*16.2*	11.8	20.6	*12.1*	...	...	...	...
Transport equipment	2.0	4.6	5.7	6.3	11.2	*6.7*	4.0	7.2	*4.2*	...	...	...	...
Other manufactured goods	9.2	11.2	9.3	9.7	13.9	*9.3*	7.8	7.3	*9.0*	...	...	...	...
CAMBODIA (*riel*)													
Food	11.2	10.0	14.0	14.8	18.4	20.4	19.3	19.5	19.9	19.6	22.6	17.2	17.9
Beverages and tobacco	22.4	22.8	9.0	5.2	6.7	8.0	6.7	8.5	7.4	5.2	8.6	6.5	4.7
Mineral fuels	9.8	13.6	11.8	9.9	5.3	3.5	6.1	2.2	0.5	19.0	17.5	...	122.1
Textiles	24.5	26.9	27.8	33.4	35.0	40.1	28.7	42.5	28.2	24.3	15.5	24.7	25.7
Base metals and manufactures	7.8	10.1	13.1	13.6	20.0	23.4	16.1	16.9	17.8	27.6	20.2	24.9	32.4
Machinery	4.3	5.6	11.3	16.1	11.9	29.0	34.3	25.9	24.0	18.6	13.7	15.6	23.6
Transport equipment	11.8	8.5	8.7	9.7	9.1	22.6	24.9	14.0	15.2	9.2	10.0	9.9	8.2
CEYLON (*rupee*)[a]													
Food	64.6	53.8	50.3	56.7	59.4	57.8	40.7	69.2	68.8	51.0	49.9	98.4	87.6
Cereals and cereal preparations	43.4	33.0	26.1	28.3	29.0	26.0	18.2	33.5	33.8	18.5	20.7	67.9	51.8
Mineral fuels, lubricants and related materials	12.1	9.9	12.0	10.6	18.7	11.8	9.8	12.6	14.4	11.5	13.3	12.2	8.0
Chemicals	5.4	6.1	7.6	8.2	10.1	8.7	6.7	8.4	10.2	10.2	9.8	6.9	17.1
Textiles	13.5	12.2	11.3	13.4	13.6	15.1	10.0	15.4	20.3	15.7	11.4	9.8	80.6
Machinery	7.7	5.7	7.1	8.7	9.5	10.6	7.7	10.0	15.2	12.7	12.6	11.0	17.3
Transport equipment	7.0	4.8	5.9	6.9	7.3	8.9	8.5	7.1	11.7	12.9	16.0	7.9	17.9
Other manufactured goods	19.3	20.0	21.8	25.1	25.3	24.1	20.9	24.8	26.5	28.3	27.4	24.0	38.9
CHINA (Taiwan, *new Taiwan dollar*)													
Food	35.3	43.7	26.6	42.4	33.6	46.7	8.6	73.4	44.3	21.3	58.5	59.3	64.4
Crude materials, inedible, except fuels	52.2	66.9	63.5	92.1	107.4	93.0	68.5	107.0	97.9	100.0	173.3	118.0	141.8
Oil-seeds, oil nuts and oil kernels	15.6	17.5	19.0	23.3	25.0	20.4	12.3	30.1	16.4	30.3	24.2	51.2	65.3
Textile fibres, raw	25.7	31.8	31.8	37.1	43.7	41.8	31.7	53.4	37.5	26.1	91.8	17.7	30.9
Mineral fuels, lubricants and related materials	10.9	9.3	21.3	26.2	46.3	36.6	19.4	30.3	58.5	70.3	31.8	58.6	64.8
Chemicals	33.3	47.6	44.8	75.7	62.1	103.2	104.0	88.0	124.7	122.0	140.2	96.5	159.1
Textiles	15.4	6.4	4.4	3.9	3.9	0.9	0.7	0.8	1.2	1.0	2.1	2.6	3.9
Base metals and manufactures	23.1	29.0	25.9	45.7	48.0	47.9	40.5	50.9	56.4	40.2	105.4	125.8	80.0
Machinery	25.3	33.5	43.8	60.6	74.9	76.2	53.7	58.4	123.3	115.8	132.0	177.5	123.8
Transport equipment	11.1	8.6	8.0	14.2	16.6	23.3	30.1	20.8	16.5	15.6	38.2	50.8	59.9
Other manufactured goods	34.8	20.0	16.9	26.7	33.4	28.0	25.9	30.7	26.3	30.8	51.8	47.0	33.9
FEDERATION OF MALAYA[b] (*Malayan dollar*)													
Food	47.3	35.1	39.8	43.7	44.0	43.8	41.0	43.4	45.1	39.0	40.7	42.9	*44.3*
Cereals and cereal preparations	21.6	12.0	14.5	15.6	15.5	16.2	...	...	...	...	...	...	...
Crude materials, inedible, except fuels	8.5	11.5	14.1	16.5	17.3	15.2	15.0	15.3	15.0	12.8	16.0	18.3	*15.8*
Metal ores and scrap	3.0	3.9	5.3	5.9	7.3	4.4	...	...	...	...	...	...	...
Mineral fuels, lubricants and related materials	9.0	9.6	10.5	11.3	12.5	11.2	11.4	10.3	11.3	9.3	12.0	11.9	*9.0*
Textiles	6.8	7.4	8.9	8.3	8.4	7.3	...	...	...	...	...	...	...
Machinery	9.1	8.2	8.3	10.6	11.7	10.4	...	...	...	...	...	...	...
Transport equipment	5.2	4.1	6.2	8.6	8.6	7.9	...	...	...	...	...	...	...
Other manufactured goods	20.5	19.6	23.7	26.8	27.3	22.5	...	...	...	...	...	...	...
INDIA (*rupee*)[a]													
Food[c]	99.1[r]	80.4[r]	94.6[r]	84.7[r]	162.5[r]	...	...	...	...	...	...	...	...
Crude materials, inedible, except fuels	74.9	72.7	94.2	99.6	93.5	66.7	*74.8*	*61.0*	*59.7*	*66.9*	*88.3*	*82.7*	...
Cotton raw and waste	41.5	47.9	44.6	44.7	40.5	25.6	*37.3*	*16.8*	*20.0*	*20.4*	*43.7*	*38.6*	...
Petroleum and products	66.0	72.5	78.3	90.4	89.6	63.2	*54.5*	*60.2*	*74.2*	*49.3*	*52.6*	*33.9*	...
Chemicals	33.5	41.9	44.0	49.0	64.0	54.4	*48.0*	*60.4*	*57.9*	*60.3*	*79.1*	*69.6*	...
Base metals and manufactures	38.6	45.3	69.0	131.2	191.2	125.6	*106.7*	*110.7*	*154.9*	*111.3*	*143.0*	*104.1*	...
Machinery	65.8	75.7	76.9	127.5	194.1	157.4	*136.3*	*138.5*	*163.1*	*151.6*	*165.8*	*152.6*	...
Transport equipment	22.2	31.7	56.2	64.4	63.2	49.6	*46.5*	*45.4*	*61.4*	*50.5*	*88.7*	*34.9*	...
Other manufactured goods	49.3	55.8	68.2	90.8	66.4	43.8	*31.8*	*43.0*	*56.7*	*47.7*	*43.8*	*50.6*	...
INDONESIA (*rupiah*)													
Live animals, food products, beverages and tobacco	131.9	96.0	63.3	176.1	131.5	114.8	107.5	96.4	133.8	71.9	91.1	127.3	74.4
Chemicals and allied products	40.9	37.0	53.6	55.8	59.8	43.2	37.0	31.6	55.7	41.6	51.9	71.6	64.5
Textiles, apparel and footware	212.9	173.8	175.0	202.0	165.5	101.6	103.1	131.0	81.5	69.8	66.6	94.3	72.1
Base metals and manufactures	67.9	63.1	70.4	79.3	110.9	53.4	50.8	42.9	49.8	37.6	54.1	68.7	91.7
Machinery and transport equipment	136.3	115.7	102.4	144.6	134.0	88.5	95.1	72.8	68.2	54.3	82.1	99.5	70.4

EXTERNAL TRADE

7. VALUE OF IMPORTS BY PRINCIPAL COMMODITY GROUPS *(Cont'd)*

Monthly averages or calendar months — *Millions*

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
JAPAN (*thousand million yen*)													
Food	18.12	19.30	18.34	16.47	17.06	15.66	17.20	16.01	14.15	14.12	16.58	*16.82*	*13.49*
Cereals and cereal preparations	12.98	14.66	13.20	11.08	9.36	9.43	11.18	9.96	7.47	7.87	10.93	*10.62*	*8.40*
Sugar and sugar preparations	3.79	3.39	3.64	4.02	5.08	3.85	3.57	3.39	3.87	4.23	3.09	*4.14*	*3.08*
Crude materials, inedible, except fuels	34.63	33.78	36.77	51.31	60.29	38.98	39.98	36.68	36.48	40.99	54.88	...	...
Oil-seeds, oil nuts & oil kernels	2.41	2.91	4.41	4.01	4.23	4.04	3.71	3.96	3.74	5.46	4.42	...	...
Crude rubber	1.51	1.30	2.24	2.66	3.05	2.59	2.33	2.49	3.02	3.17	4.00	...	...
Textile fibres, raw	19.98	18.54	17.57	23.16	23.86	18.23	20.24	15.80	15.86	18.38	21.87	*19.40*	*15.85*
Metal ores and scrap	5.20	5.13	5.57	13.70	20.78	7.73	7.58	7.48	7.20	8.79	16.33	*16.70*	*16.13*
Mineral fuels, lubricants and related materials	8.66	8.02	8.67	12.38	20.39	15.43	14.42	14.92	16.21	14.65	16.89	*17.50*	*15.15*
Chemicals	2.08	1.92	2.41	4.90	5.50	4.99	4.70	4.93	5.48	5.94	6.70	*6.26*	*5.89*
Machinery	2.79	3.77	3.29	3.93	7.26	9.11	9.89	8.71	8.02	10.56	10.89	*8.95*	*10.71*
Transport equipment	2.03	1.55	0.68	0.92	1.41	1.15	1.25	0.97	0.87	1.61	1.27		
Other manufactured goods	2.68	2.54	2.41	5.68	15.26	4.42	4.38	4.52	4.14	4.57	5.15	...	...
KOREA, southern (*hwan*)													
Food	821	276	555	452	922	707	721	606	702	1,740	471	1,573	1,488
Cereals and cereal preparations	697	122	78	65	558	198	186	159	99	1,237	598	902	782
Beverages and tobacco	67	126	188	220	224	174	176	166	152	1	3	—	—
Crude materials, inedible, except fuels	103	106	115	120	206	440	401	426	558	2,935	3,650	3,638	3,952
Chemicals	306	351	693	370	325	492	441	492	547	2,884	4,454	3,256	2,148
Textiles	229	604	1,273	663	345	392	466	360	389	994	1,116	779	887
Machinery	42	203	276	254	262	309	256	288	462	1,136	1,186	1,060	1,886
Transport equipment	21	113	52	79	48	42	51	38	31	1,004	117	10	201
Other manufactured goods	223	461	862	711	711	889	796	854	1,104	1,684	2,065	2,119	2,260
LAOS (*kip*)													
Food	...	...	15.2	18.0	17.0	16.5	14.8	12.9	21.0	19.6	...	...	...
Cereals and cereal preparations	...	...	7.4	10.5	6.2	3.4	2.1	5.2	3.3	3.5	...	...	...
Petroleum products	...	...	2.3	4.0	4.8	8.5	5.2	11.8	9.7	13.8	...	...	...
Chemicals	...	...	2.9	5.6	8.4	4.5	3.8	3.8	4.2	3.1	...	...	...
Textiles	...	...	9.1	23.0	26.0	11.6	8.9	5.7	5.8	10.9	...	...	...
Machinery	...	...	3.9	6.9	7.8	8.3	7.4	7.2	6.4	15.4	...	...	...
Transport equipment	...	...	3.5	12.0	18.7	10.1	11.3	9.0	6.6	4.8	...	...	...
Other manufactured goods	...	...	11.5	24.6	28.1	16.5	15.4	9.5	16.6	14.5	...	...	...
NORTH BORNEO (*Malayan dollar*)													
Food	*1.51*	1.46	1.89	2.54	2.33	2.53	2.35	2.53	2.73	2.23	2.34	...	...
Mineral fuels, lubricants and related materials	...	0.43	0.44	0.51	0.48	0.40	0.29	0.41	0.56	0.37	2.36	...	...
Chemicals	...	0.24	0.32	0.41	0.44	0.44	0.42	0.50	0.43	0.53	0.52	...	...
Textiles	*0.38*	0.46	0.53	0.69	0.55	0.47	0.45	0.46	0.46	0.39	0.54	...	...
Machinery	0.70	0.70	0.57	0.68	0.89	0.96	0.88	1.08	1.11	1.36	1.34	...	...
Transport equipment	0.16	0.25	0.24	0.51	0.45	0.51	0.72	0.48	0.40	0.53	0.59	...	...
Other manufactured goods	...	1.17	1.59	2.01	2.02	1.96	1.92	2.05	2.03	1.84	2.34	...	...
PAKISTAN (*rupee*)[d]													
Mineral oils	8.3	8.3	9.5	8.3	7.4	7.0	5.9	4.7	9.9	8.8	*7.8*	20.7	16.3
Chemicals	3.1	6.5	7.0	8.5	10.5	10.8	...	...	...	...	...	...	...
Iron and steel manufactures	4.9	5.6	8.3	15.5	18.8	19.7	18.4	15.2	20.0	19.0	*11.6*	6.7	7.5
Machinery	10.0	22.9	20.8	26.3	26.5	25.4	19.2	25.8	28.0	31.2	*19.5*	24.3	24.0
Transport equipment	2.1	3.7	4.1	7.7	9.5	10.2	12.7	9.5	5.3	13.7	*7.7*	7.5	10.1
PHILIPPINES (*peso*)[e]													
Food	12.8	13.2	17.1	14.7	18.1	19.6	14.7	19.8	24.2	9.6	10.2	...	...
Cereals and cereal preparations	3.6	4.3	6.2	4.4	6.3	8.7	6.6	10.4	10.2	4.4	2.2	...	...
Mineral fuels, lubricants and related materials	8.1	9.0	9.0	8.7	9.6	10.2	10.1	9.1	11.3	8.6	9.7	...	...
Chemicals	6.4	6.4	7.3	6.5	9.5	8.1	5.6	7.0	11.8	8.1	10.0	...	...
Textiles	12.5	13.7	14.2	9.9	13.1	9.5	9.5	6.8	9.7	5.5	8.2	...	...
Machinery	9.0	10.3	12.4	16.1	18.0	16.0	17.2	13.3	14.5	15.0	18.7	...	...
Transport equipment	3.6	4.2	5.0	4.8	5.6	4.8	5.0	4.2	4.7	3.6	5.2	...	...
Other manufactured goods	19.1	19.8	21.7	20.1	24.9	19.9	19.2	18.2	19.2	15.1	19.8	...	...
SARAWAK (*Malayan dollar*)													
Food	3.64	3.85	4.32	4.36	4.57	4.04	3.58[h]	4.49		3.94		...	...
Mineral fuels, lubricants and related materials	22.44	22.40	24.93	26.80	27.33	25.87	25.53	26.20		25.93		...	...
Chemicals	0.53	0.70	0.82	0.79	0.80	0.83	0.74	0.92		0.82		...	...
Textiles	...	0.57	0.61	0.54	0.47	0.42	0.42	0.43		0.59		...	...
Machinery	1.08	1.19	1.21	1.20	1.20	1.03	0.87	1.19		1.26		...	...
Transport equipment	0.36	0.36	0.37	0.45	0.38	0.36	0.39	0.33		0.30		...	...
Other manufactured goods	...	2.10	2.37	2.38	2.13	2.00	1.89	2.11		2.90		...	...

7. VALUE OF IMPORTS BY PRINCIPAL COMMODITY GROUPS *(Cont'd)*

Monthly averages or calendar months — *Millions*

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
SINGAPORE (*Malayan dollar*)[f]													
Food	51.1	44.7	45.2	50.5	50.0	53.2	53.9	54.4	42.3	43.8	53.1	...	...
Cereals and cereal preparations	17.9	11.7	11.7	13.3	12.1	15.9	17.0	18.7	8.5	7.8	15.2	...	...
Crude materials, inedible, except fuels	32.7	38.7	59.5	54.9	57.0	50.8	54.0	42.8	52.2	56.1	74.8	...	...
Crude rubber	24.4	27.8	51.0	46.4	45.6	41.2	44.8	35.0	42.9	44.7	63.2	...	...
Mineral fuels, lubricants and related materials	44.7	43.7	50.0	59.1	65.2	55.8	59.0	50.2	45.5	54.5	45.9	...	...
Textiles	14.9	12.7	17.9	17.9	17.6	22.0	25.3	17.8	23.0	20.0	19.2	...	...
Machinery	7.6	7.9	10.3	12.2	13.5	12.3	12.1	11.3	13.7	9.9	11.8	...	...
Transport equipment	6.0	4.9	6.2	7.6	9.0	7.8	8.2	7.3	7.0	5.0	6.5	...	...
Other manufactured goods	24.2	25.7	30.2	34.1	37.7	33.3	36.1	31.3	31.1	30.0	33.5	...	...
THAILAND (*baht*)													
Food	52.5	53.3	51.5	55.2	57.8	60.6	60.2	64.9	64.8	53.6	54.4	82.0	*57.2*
Mineral fuels, lubricants and related materials	39.3	47.5	57.0	64.6	77.3	75.0	93.2	68.1	71.8	73.5	65.2	100.7	*63.3*
Chemicals	28.2	43.9	48.1	54.5	62.8	62.6	69.1	61.0	66.8	67.4	84.5	77.5	*78.8*
Textiles	93.4	105.0	113.4	120.3	113.7	*100.1*	*97.7*	*93.3*	*98.1*	*109.9*	*103.6*	*93.7*	*112.4*
Machinery	67.1	71.1	65.3	73.8	85.2	*84.3*	*91.1*	*75.2*	*81.3*	*85.8*	*115.2*	*123.0*	*188.4*
Transport equipment	46.7	44.6	48.7	53.1	73.7	*58.2*	*59.2*	*58.5*	*59.7*	*47.0*	*60.9*	*54.0*	*60.8*
Other manufactured goods	151.0	168.7	191.1	173.8	189.7	*176.8*	*190.0*	*149.7*	*159.5*	*173.2*	*195.9*	*165.2*	*154.9*
VIET-NAM (*piastre*)[g]													
Food	111.1	122.0	89.6	82.2	75.9	69.5	71.0	71.0	67.0	60.0	71.7	65.7	50.9
Petroleum and products	32.0	41.0	33.7	35.0	44.6	46.8	45.4	46.5	60.5	44.5	56.8	51.9	52.2
Textiles	231.4	190.1	111.2	123.5	128.7	109.5	120.3	83.6	108.2	74.9	71.6	53.9	70.2
Machinery	71.7	76.2	65.4	49.2	83.9	63.0	63.1	63.1	67.2	50.8	70.1	80.2	58.3
Transport equipment	47.2	49.3	52.3	32.6	58.3	53.4	64.1	64.1	37.2	31.9	35.9	36.6	33.5

GENERAL NOTE: See table 6.

a. 1953 and 1954 figures for Ceylon, 1953 to 1956 figures for India, reclassified by ECAFE secretariat, may not conform exactly to the new classification beginning from 1955 and 1957 respectively.
b. Including trade with Singapore.
c. Including imports of cereals on government account.
d. Figures prior to 1956, relating to private account only. From 1956 onwards figures including government account.
e. Imports valued f.o.b.
f. Excluding trade with the Federation of Malaya.
g. See footnote h to table 6.
h. Averages of Jan-Jun.

8. VALUE OF EXPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS

Monthly averages or calendar months — *Millions*

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
BURMA (*kyat*)													
Rice and products	70.7	79.4	68.1	72.3	66.7	57.0	76.6	54.6	46.1	46.5	60.0	86.0	...
Natural rubber	2.0	2.4	2.7	3.7	3.1	...	*3.0*	*1.4*	...	...	...	...	...
Teak	2.4	2.0	1.8	2.8	5.6	...	*4.4*	*4.1*	...	...	...	...	...
Raw cotton	5.1	4.2	3.2	4.3	*2.1*	*1.3*	*1.6*	*2.1*	*0.3*	*0.9*	...	...	...
Base metals and ores	4.6	3.8	4.9	5.2	3.9	...	*2.2*	*1.3*	...	...	...	...	...
CAMBODIA (*riel*)													
Rice	38.5	69.5	9.3	20.6	55.8	64.6	81.8	39.8	24.0	23.9	123.3	67.0	72.3
Maize	8.0	16.9	12.5	15.9	14.8	13.7	11.0	18.0	37.1	5.4	11.9	4.0	9.3
Natural rubber	25.8	34.3	51.1	42.2	47.7	51.2	58.3[r]	62.6	67.8	53.2	40.5	77.6	92.7
CEYLON (*rupee*)													
Tea	68.8	93.6	99.5	87.0	85.1	94.2	70.6	115.8	97.9	78.8	81.9	81.5	88.0
Coconut and products	20.5	18.2	19.0	18.0	13.3	13.6	7.0	18.2	18.2	17.4	18.8	18.7	20.9
Natural rubber	28.1	23.8	29.2	24.4	25.0	21.5	12.6	19.0	25.1	24.4	29.2	16.3	16.2
CHINA (Taiwan, *new Taiwan dollar*)													
Rice	17.4	9.4	37.3	34.4	37.0	54.4	61.3	—	63.7	92.9	99.6	—	—
Fruits, fresh, dried and preserved	8.1	10.7	12.3	18.4	16.2	26.3	29.5	35.7	20.6	29.0	58.5	59.3	38.1
Tea	8.8	12.1	7.0	10.2	11.8	13.1	9.4	20.4	12.7	14.2	19.2	14.4	14.5
Sugar	111.2	70.2	79.6	127.6	191.0	166.8	121.4	151.0	94.3	309.3	257.0	86.5	87.6
FEDERATION OF MALAYA[a] (*Malayan dollar*)													
Rubber	74.7	75.3	132.0	114.8	108.7	99.8	85.8	97.1	118.2	122.2	122.9	164.4	150.3
Iron ore	1.7	1.8	2.7	4.3	5.5	5.2	6.6	7.8	4.5	3.5	10.8	12.4	9.1
Vegetable oils	7.2	7.2	7.2	8.3	7.7	7.3	7.5	8.1	7.3	4.8	7.2	8.5	8.1
Tin	18.4	18.4	19.3	28.4	26.6	19.7	18.4	17.7	18.9	23.6	20.8	19.6	31.8
INDIA (*rupee*)[b]													
Food	118.7	144.8	131.2	157.6	149.3	160.3	*105.9*	*192.6*	*213.4*	*120.2*	*105.3*	*150.2*	...
Tea	85.9	109.4	94.3	118.5	102.8	113.8	*68.2*	*141.7*	*158.2*	*67.0*	*55.3*	*93.5*	...
Spices	14.5	12.0	8.8	7.7	7.0	7.4	*5.3*	*6.9*	*7.9*	*6.8*	*5.5*	*5.0*	...
Crude materials, inedible, except fuels	86.3	73.2	98.3	84.2	103.8	85.1	*83.6*	*92.7*	*76.3*	*96.8*	*95.8*	*97.6*	...
Hides and skins, undressed	4.9	5.7	5.6	5.1	5.8	6.0	*6.4*	*5.2*	*6.9*	*8.8*	*8.1*	*7.6*	...
Cotton raw and waste	16.7	15.4	28.3	20.9	15.6	17.7	*23.2*	*21.5*	*16.4*	*16.0*	*13.0*	*18.1*	...
Vegetable oils	7.9	7.4	31.2	17.4	9.5	6.2	*6.8*	*7.0*	*4.6*	*4.1*	*9.9*	*10.2*	...
Chemicals	4.4	4.7	4.1	4.5	4.6	3.7	*3.1*	*3.6*	*4.2*	*3.7*	*3.4*	*4.8*	...
Leather and manufactures	21.2	18.2	19.0	18.7	18.1	15.3	*14.2*	*16.4*	*15.5*	*17.5*	*23.9*	*26.7*	...
Cotton yarn and fabrics	53.1	59.7	53.0	51.9	57.2	43.9	*37.0*	*40.3*	*50.0*	*46.0*	*38.0*	*51.9*	...
Jute yarn and fabrics	92.0	101.2	102.9	94.6	49.6	49.6	*38.8*	*60.9*	*49.2*	*55.7*	*50.6*	*72.2*	...
Other manufactured goods	30.9	29.3	31.3	30.9	109.7	81.1	*68.2*	*91.0*	*70.9*	*65.1*	*68.8*	*72.6*	...

EXTERNAL TRADE

8. VALUE OF EXPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS *(Cont'd)*

Monthly averages or calendar months — *Millions*

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
INDONESIA (*rupiah*)													
Tea	22.5	37.9	29.7	28.1	28.4	23.6	23.6	24.5	22.1	13.2	26.7	20.8	13.9
Copra	61.8	55.1	40.4	42.8	40.5	19.9	5.8	13.7	32.8	28.5	24.1	11.7	7.6
Natural rubber	259.1	257.6	410.0	335.7	331.9	248.2	188.5	286.1	339.0	271.9	409.9	388.3	418.6
Tin ore	77.0	58.4	56.9	60.5	46.4	35.5	33.5	31.0	33.2	25.4	35.8	48.5	27.8
Petroleum and products	194.4	215.8	205.0	213.3	278.9	263.2	284.3	271.0	291.7	169.9	420.0	339.7	90.4
JAPAN (*thousand million yen*)													
Food	3.72	3.92	3.98	5.32	5.36	6.92	5.46	6.79	10.06	6.78	5.54	*6.02*	*9.24*
Fish and fish preparations	1.82	2.23	2.27	3.62	3.66	5.13	3.90	5.11	7.99	4.71	3.41	*3.84*	*6.39*
Crude materials, inedible except fuels	2.09	2.50	2.94	2.86	2.79	2.27	2.11	2.03	2.89	2.09	2.97	...	...
Textile fibres, raw	1.42	1.54	1.74	1.65	1.74	1.13	0.92	0.93	1.62	1.03	1.58	...	...
Chemicals	1.87	2.37	2.82	3.21	3.79	4.13	4.21	3.59	3.79	5.89	4.85	*4.10*	*4.33*
Textiles	11.27	16.50	17.55	20.81	24.44	21.17	21.05	19.18	22.79	19.50	21.63	*22.81*	*21.74*
Base metals and manufactures	5.62	7.51	11.61	10.24	9.70	11.15	11.23	10.09	12.94	10.24	11.57	*11.83*	*12.34*
Machinery	2.14	3.86	3.83	5.07	6.21	7.08	6.19	7.30	9.00	7.39	10.08	*28.22*	*23.71*
Transport equipment	3.52	2.20	3.57	9.56	12.75	11.91	10.75	10.04	10.76	12.82	13.00		
Other manufactured goods	6.82	9.22	12.97	16.76	20.12	20.10	19.65	21.81	22.31	19.64	26.53	...	...
KOREA, southern (*hwan*)													
Food	52	67	43	58	152	159	110	53	404	206	428	164	90
Crude materials, inedible except fuels	235	427	566	842	586	590	577	623	739	520	1,100	758	833
Chemicals	16	32	47	36	24	1	—	2	1	8	8	12	15
Manufactured goods	18	26	65	108	169	165	181	189	153	61	215	127	189
LAOS (*kip*)													
Wood and lumber	...	...	1.00	0.28	0.13	0.58	0.11	1.62	0.23	0.11	...	...	...
Tin ore	...	...	0.75	1.34	1.50	1.60	1.80	1.20	2.48	1.20	...	...	...
Gums and resins	...	...	0.59	0.74	0.63	0.49	0.93	0.34	0.30	0.17	...	...	...
Plants for use in medicine and perfumery	...	...	0.09	0.24	0.13	0.58	0.26	—	0.84	0.32	...	...	...
NORTH BORNEO (*Malayan dollar*)													
Copra	0.73	1.15	1.18	1.94	2.00	2.68	2.62	2.99	2.88	2.44	2.74	...	...
Rubber	1.95	2.03	3.84	3.36	3.10	2.74	2.35	2.96	3.04	3.32	3.36	...	...
Timber	1.03	1.46	1.81	2.18	2.63	3.03	3.22	3.32	2.99	2.93	4.80	...	...
PAKISTAN (*rupee*)[c]													
Tea	2.9	3.9	2.9	4.5	2.0	2.7	1.1	4.1	4.4	0.6	*0.1*	0.7	4.5
Raw jute	47.6	45.4	58.0	62.6	65.2	70.0	34.1	32.4	83.2	60.3	*42.3*	38.8	42.2
Raw cotton	52.7	29.1	33.6	30.3	27.6	19.9	24.0	22.5	14.0	13.1	*13.1*	7.0	14.6
Raw wool	4.3	3.5	5.6	5.9	8.6	4.0	2.6	4.8	4.9	5.5	*6.6*	4.0	4.6
Hides and skins	3.3	2.8	2.6	3.3	3.4	3.4	3.3	4.2	3.7	3.3	*5.8*	5.2	6.8
PHILIPPINES (*peso*)													
Coconut and coconut preparations	26.3	27.4	25.4	29.3	28.8	30.0	27.0	35.0	34.0	24.1	26.6	...	...
Sugar and related products	17.0	18.4	18.6	17.6	14.9	19.5	28.2	16.2	12.6	19.2	26.4	...	...
Fibres and manufactures	7.2	4.9	5.1	6.5	7.1	4.9	4.5	5.3	4.9	5.6	7.1	...	...
Minerals and metals	5.9	5.9	6.7	9.2	8.7	6.2	4.9	6.7	9.0	6.7	10.1	...	...
Logs, lumber and timber	4.8	5.9	6.9	8.1	7.5	11.6	11.4	13.2	14.2	9.8	16.9	...	...
SARAWAK (*Malayan dollar*)							[g]						
Pepper	4.12	3.64	2.64	2.05	1.44	1.26	0.87	1.66		0.94		...	...
Rubber	2.64	2.87	6.64	5.86	6.20	5.11	4.17	6.06		6.20		...	...
Timber, sawn and logs	1.16	1.16	1.83	1.59	1.63	1.63	1.64	1.63		2.12		...	...
Mineral fuels, lubricants and related materials	24.42	24.46	26.74	28.85	30.51	27.83	26.08	29.58		29.22		...	...
SINGAPORE (*Malayan dollar*)[d]													
Rubber	61.8	66.2	115.9	102.0	95.5	85.8	78.7	82.0	98.2	101.7	117.0	...	...
Mineral fuels	28.6	29.4	31.2	36.2	36.9	30.2	33.8	24.6	25.8	23.9	31.5	...	...
Vegetable oils	2.8	4.5	3.9	3.9	4.7	3.6	3.0	4.0	4.2	2.6	3.0	...	...
Tin	14.4	16.3	16.9	11.6	11.1	4.0	4.7	3.9	1.0	0.7	0.5	...	...
THAILAND (*baht*)[e]													
Rice	312.2	257.2	261.1	238.4	301.9	248.0	257.1	224.4	142.3	236.9	229.5	200.0	154.0
Natural rubber	62.6	92.4	150.2	127.2	117.2	110.6	101.6	115.8	111.3	207.9	137.3	303.5	203.7
Teak	11.1	17.6	22.0	25.5	21.8	19.9	19.1	19.9	23.8	17.7	16.7	18.9	18.8
Tin ore and concentrates	25.0	31.1	36.7	42.3	44.3	21.2	20.9	23.0	23.0	23.0	26.7	72.5	29.1
VIET-NAM (*piastre*)[f]													
Rice and products	52.5	64.2	26.2	1.1	59.3	40.6	100.0	1.4	2.5	44.0	58.9	143.2	56.6
Natural rubber	70.5	68.7	122.7	107.0	140.8	103.5	63.3	93.3	150.3	86.6	97.3	137.5	128.5

GENERAL NOTE: See table 6.

a. Including trade with Singapore.

b. Figures for 1953 to 1956, reclassified by ECAFE Secretariat, may not conform exactly to the new classification from 1957.

c. Figures prior to 1956, relating to private account only. From 1956 onwards figures including government account.

d. Excluding trade with the Federation of Malaya.

e. Baht value is obtained by converting foreign currencies at free market buying rate.

f. See footnote b to table 6.

g. Averages of Jan-Jun.

9. QUANTITY OF EXPORTS OF MAJOR COMMODITIES

Monthly averages or calendar months — *Thousand tons*

	1952	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
RICE														
Burma	109.4	86.9	129.6	141.5	162.1	155.7	127.7	162.9	116.8	111.8	*106.9*	*133.2*	*199.6*	*196.9*
Cambodia	17.5	11.5	24.7	8.4	5.8	19.2	21.2	27.7	12.9	8.5	8.8	33.1	19.7	18.0
China (Taiwan)	8.8	4.9	3.0	14.2	9.1	10.1	14.9	16.8	—	17.5	17.5	18.8	—	—
Thailand	129.0[r]	113.3	83.5	102.6[r]	105.1	130.8[r]	88.8	76.4	83.3	52.7	93.2	93.0	84.6	66.4
Viet-Nam	12.8	8.6	14.6	6.8	0.4	15.7	9.8	17.9	0.4	0.7	12.3	14.2	41.5	17.4
SUGAR														
China (Taiwan)	38.3	72.9	43.5	48.8	50.0	62.4	68.1	47.8	62.9	42.4	95.8	83.0	27.0	27.4
India	...	...	...	...	...	16.4	7.0	7.0	8.3	10.6	5.4	7.7	3.3	...
Indonesia	0.1	7.8	17.7	14.7	14.1	12.2	7.4	—	19.4	4.5	—	—	—	...
Philippines	66.1	64.3	72.4	77.2	71.9	59.3	80.8	110.1	67.2	57.6	77.7	111.1	109.4	...
TEA														
Ceylon	11.9	12.8	13.6	13.6	13.2	13.3	14.3	11.4	17.2	14.3	13.2	15.8	15.2	15.4
China (Taiwan)	0.8	0.9	1.3	0.6	0.9	1.0	1.0	1.0	1.5	1.0	0.8	1.4	0.8	0.8
India	15.5	18.8	16.8	13.6	19.5	16.5	18.9	12.0	21.4	25.4	12.0	9.3	15.8	22.1
Indonesia	2.7	2.4	3.4	2.4	2.9	3.0	2.9	2.8	3.0	2.8	1.8	3.5	*3.0*	...
Japan	0.8	1.1	1.4	1.2	0.9	0.9	0.6	0.3	0.9	0.5	0.4	0.7	0.6	1.4
Pakistan	0.9	1.0	0.8	0.4	0.8	0.3	0.4	0.2	0.6	0.7	—	—	0.2	*1.0*
HIDES & SKINS														
India (net exports, *tons*)	1,288	589	630	366	276	469	355	397	260	477	220	434	—	...
Pakistan (*thousand pieces*)	719	898	811	749	878	856	887	795	1,121	993	662	*1,248*	814	1,178
COPRA[a] & COCONUT OIL														
Ceylon	11.2	9.1	8.3	11.8	10.3	6.4	5.2	1.3	6.9	7.8	7.8	8.0	7.4	7.2
Federation of Malaya (coconut oil)	3.6	4.0	3.7	4.8	6.0	4.7	3.4	3.6	3.8	2.7	0.8	2.0	2.3	2.1
Indonesia (copra)	18.3	16.3	15.8	12.5	13.8	15.4	6.2	1.2	3.7	9.3	6.7	5.3	1.7	...
N. Borneo	0.6	0.7	1.4	1.9	3.2	3.4	3.7	3.6	3.5	3.7	2.5	2.7	...	...
Philippines	41.9	36.6	45.5	48.4	59.8	57.6	50.0	45.1	57.9	54.3	32.3	32.0	54.4	...
Singapore (coconut oil)	2.0	1.1	3.0	2.9	2.7	3.7	2.3	1.9	2.4	2.0	0.9	1.0	2.0	1.2
PALM OIL														
Federation of Malaya	1.2	1.9	2.2	2.2	2.2	2.9	3.8	3.4	3.7	5.0	3.8	3.7	5.2	3.9
Indonesia	10.4	11.3	11.7	10.5	10.4	10.8	11.0	9.5	13.7	14.0	7.5	7.5	9.7	...
Singapore	2.7	2.2	2.1	2.3	2.4	1.9	1.9	1.4	2.2	2.7	1.8	2.4	2.0	2.1
GROUND NUTS[a] & OIL														
India	5.6	1.7	2.5	14.8	2.8	0.4	0.6	0.2	0.8	1.0	4.0	3.5	2.0	...
NATURAL RUBBER														
Brunei	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Burma	1.2	0.9	1.0	1.0	1.0	1.1	0.9	*1.0*	*1.0*	*1.0*	*1.0*	*1.0*	*1.0*	*1.0*
Cambodia	1.4	1.5	2.0	2.2	2.4	2.6	2.8	1.9	2.3	2.9	2.7	1.8	3.4	3.0
Ceylon	7.6	8.2	7.6	8.2	7.3	8.0	7.7	3.9	8.9	8.1	9.7	7.0	4.4	8.1
Federation of Malaya	28.3	27.5	35.3	37.9	36.6	38.9	39.0	36.9	37.1	42.8	45.3	40.0	52.5	44.6
Indonesia	61.8	57.1	61.7	61.1	56.6	56.4	50.5	40.6	61.5	64.2	48.6	64.9	54.1	61.4
N. Borneo	1.6	1.4	1.4	1.7	1.7	1.7	1.7	1.5	1.5	1.8	1.9	1.7	1.8	2.2
Sarawak	2.7	2.0	1.9	3.3	3.5	3.5	3.3	3.0	3.7	3.6	2.7	3.5	4.8	5.4
Singapore	20.1	20.7	13.1	15.6	15.7	16.1	17.2	11.0	20.3	19.9	27.3	17.1	15.6	17.2
Thailand	8.3	8.1	9.9	11.0	11.3	11.3	11.6	11.7	12.2	10.1	17.8	10.2	22.1	13.2
Viet-Nam	5.3	5.0	4.6	5.2	5.3	6.1	5.7	3.8	6.2	6.9	5.7	4.5	6.4	7.8
COTTON, RAW														
India	4.4	3.8	2.3	7.9	5.9	3.4	6.1	9.0	7.4	5.7	6.2	4.7	6.8	...
Iran[b]	0.6	2.1	3.0	3.7	3.2	3.3	3.8	2.2	—	2.7 —	5.5	...	...	...
Pakistan	20.4	23.6	11.8	14.0	10.9	9.6	8.1	9.2	9.4	6.4	6.1	*6.2*	*7.1*	*6.4*
COTTON YARN (*tons*)														
Federation of Malaya and Singapore	119	113	54	9	44	11	43	2	97	60	33	10	...	...
Hong Kong	1,300	1,190	1,172	1,228	1,183	1,262	1,166	1,229	1,236	1,429	873	1,338	1,060	1,227
Japan	1,117	801	1,117	991	1,032	1,217	936	959	864	645	920	836	926	848
COTTON PIECE GOODS (*million sq. metres*)														
Federation of Malaya and Singapore	9.6	8.0	2.7	5.0	4.5	4.5	4.2	3.6	3.6	4.3	3.1	4.1	...	...
Hong Kong	10.1	9.3	11.3	11.5	9.8	13.7	15.4	21.1	18.2	23.5	14.4	17.6	16.9	15.7
India (*million metres*)	45.7	50.0	65.6	56.9	56.7	67.1	47.4	41.5	43.7	49.4	49.6	47.9	64.4	...
Japan	52.0	63.7	89.0	79.3	87.9	102.3	86.8	85.2	77.3	92.3	81.2	82.2	89.8	84.0
JUTE														
Pakistan (raw)	70.0	81.7	74.3	81.8	71.5	65.4	75.5	41.0	35.5	92.6	66.9	*46.6*	55.4	52.4
India (bag and cloth)	60.0	60.3	67.8	79.6	67.9	65.9	58.3	47.0	70.3	61.0	63.0	62.2	82.5	...
HEMP, RAW														
Philippines	9.1	9.3	8.2	9.3	10.2	9.6	8.4	7.5	8.2	10.5	8.2	9.1	7.8	...
TIN CONCENTRATES (*tons*)														
Burma	118	83	52	79	71	*72*	*112*	*79*	*126*	*131*	*98*	*73*	*84*	*89*
Indonesia	2,929	2,771	2,874	2,689	2,638	2,318	1,553	1,627	1,531	1,229	1,247	1,511	2,948	1,248
Thailand	825	863	806	935	1,052	1,130	548	537	608	572	552	651	1,587	762
TIN METAL (*tons*)														
Federation of Malaya	3,140	2,955	3,134	3,204	4,399	4,252	3,212	2,964	2,862	3,070	3,647	3,127	2,932	4,778
Singapore	2,286	2,274	2,816	2,821	1,806	1,763	667	773	632	157	111	47	27	22
PETROLEUM & PRODUCTS														
Brunei (crude oil)	423	406	398	433	469	455	421	408	437	444	451	...	...	...
Federation of Malaya and Singapore	204	225	235	268	239	206	172	191	147	145	149	202	...	...
Indonesia	617	815	827	808	877	1,301	1,122	1,179	1,115	1,238	501	1,848	1,242	...

GENERAL NOTE: For Federation of Malaya and Singapore: Trade between Singapore and Federation of Malaya is excluded.

a. In terms of oil equivalent.
b. Prior to 1958, annual data: 12 months ending 21 July of year stated.

EXTERNAL TRADE

10. INDEX NUMBERS OF QUANTUM, UNIT VALUE AND TERMS OF TRADE

1953=100[a]

	1951	1952	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
A. Quantum														
BURMA														
Imports	69†	104	123	104	88	132	82	58	70	91	89	...	...	...
Exports	113†	115	130	145	163	150	117	159	119	90	88	...	...	...
CEYLON														
Imports:[b] General	94	96	99	97	106	112	113	79	129	141	111	107	162	164
Exports:[b] General	93	97	103	109	104	99	107	77	130	119	98	99	94	108
Tea	91	94	108	108	104	111	123	88	155	129	105	104	109	124
Rubber	107	97	100	106	101	139	100	60	88	124	106	116	62	61
All coconut products	94	109	96	118	113	82	81	53	105	97	81	87	82	99
Imports (*Central Bank index*)	99	99	93	96	105	111	112	79	124	137	113	102	148	164
Consumer goods	95	98	89	95	106	107	115	76	132	144	107	95	165	154
Capital goods	109	104	103	104	102	125	102	90	101	116	137	129	94	203
CHINA (Taiwan)														
Imports (*ordinary and ICA*)	...	81	105	98	94	102	113	87	117	133	100	129	...	...
Crude materials	...	61	107	103	101	122	110	87	130	111	87	146	...	...
Chemicals	...	136	144	126	127	102	194	207	144	259	191	190	...	...
Machinery & transport equipment	...	57	83	82	81	117	122	109	94	163	122	142	...	...
Exports	...	67	69	86	83	97	118	99	109	91	145	147	...	...
Food	...	65	68	85	81	96	113	93	97	84	145	141	...	...
FEDERATION OF MALAYA and SINGAPORE[c]														
Imports	131	116	107	128	140	139	139	137	129	141	129	145	...	...
Exports	128	109	110	118	127	130	130	130	125	126	124	126	...	...
INDIA‡														
Imports	...	108	118	125	147	168	151	130	115	148	134	...	...	...
Exports	...	100	105	115	110	119	108	87	120	118	105	...	...	...
JAPAN[d]														
Imports: General	67	74	104	109	138	172	142	140	144	144	155	189	188	169
Foods	77	93	117	117	107	102	108	114	114	101	107	118	124	101
Raw materials	68	71	97	106	144	162	130	131	129	131	151	198	192	176
Mineral fuels	51	65	100	106	133	190	177	163	177	194	177	221	234	202
Chemicals	49	57	93	146	202	223	220	202	222	240	274	311	...	...
Machinery	42	54	113	93	126	219	232	226	241	250	251	249	...	...
Exports: General	87	92	133	174	208	232	240	227	227	269	250	267	296	294
Foods	51	78	93	105	136	136	170	136	163	244	184	148	164	240
Chemicals	45	55	126	162	207	260	335	336	291	305	512	418	...	...
Manufactured goods	89	94	140	186	222	250	255	245	242	279	263	290	321	303
Textiles	100	86	149	179	204	239	215	211	199	238	208	234	...	...
Metals	120	169	148	226	165	145	207	203	190	263	204	225	...	...
Machinery	54	64	112	157	290	346	306	282	280	298	315	335	...	...
PHILIPPINES														
Imports[e]	100	90	111	125	123	137	121	115	108	135	91	108	119	...
Exports	96	107	111	121	138	129	140	141	145	151	121	158	192	...
THAILAND														
Exports	112	100	87	108	112	125	99	101	94	76	122	97	...	...
VIET-NAM[h]														
Imports	75	103	113	90	77	95	82	89	80	86	68	87	77	84
Exports	153	123	113	132	85	155	122	141	91	137	106	133	229	156

10. INDEX NUMBERS OF QUANTUM, UNIT VALUE AND TERMS OF TRADE *(Cont'd)*

1953=100[a]

	1951	1952	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
B. *Unit Value*														
BURMA														
Imports	129†	115	93	89	82	91	98	106	101	94	*88*	...	...	...
Exports	74†	94	77	62	62	60	62	60	60	60	*61*	...	...	...
CEYLON														
Imports:[b] General	102	110	88	89	99	96	83	90	86	86	84	89	87	87
Exports:[b] General	126	98	112	117	109	104	102	104	99	102	103	108	106	104
Tea	106	94	126	134	122	113	111	117	108	110	109	114	109	103
Rubber	165	114	88	101	98	93	81	77	78	84	84	92	95	98
All coconut products	134	83	94	79	79	85	98	93	93	99	108	110	113	117
Imports (*Central Bank index*)	101	108	92	86	90	95	87	89	88	89	86	90	87	86
Consumer goods	99	107	91	84	85	89	81	83	82	85	82	86	84	84
Capital goods	107	113	95	97	107	114	105	108	103	100	96	101	100	94
CHINA (Taiwan)														
Imports (*ordinary and ICA*)	...	111	108	111	106	110	106	105	105	107	102	99	...	...
Exports	...	113	105	110	105	116	100	105	93	98	91	85	...	...
FEDERATION OF MALAYA and SINGAPORE[c]														
Imports	120	108	90	92	91	96	91	94	89	90	89	91	...	...
Exports	172	125	94	120	110	105	95	92	94	102	102	114	...	...
INDIA‡														
Imports	...	109	97	97	99	107	104	102	110	101	100	...	...	...
Exports	...	109	107	98	102	102	101	98	103	102	99	...	...	...
INDONESIA														
Imports	116	110	91	91	88	87	92	85	100	93	108	...	...	...
Exports	160	113	96	109	102	98	90	85	88	91	99	...	...	...
JAPAN[d]														
Imports	124	114	96	94	97	103	89	92	84	83	84	83	83	85
Exports	122	108	96	91	94	97	94	94	95	93	91	96	96	97
KOREA,[e] southern (1957=100)														
Imports	...	...	...	...	...	100	92	92	90	88	87	86	86	84
Exports	...	...	...	...	...	100	82	79	81	83	84	87	90	91
PAKISTAN[f]														
Imports	116	102	98	105	110	124	136	135	140	135	140	...	...	...
Exports	194	142	107	104	98	105	96	93	96	93	95	88	...	...
PHILIPPINES														
Imports[g]	106	105	96	96	97	100	102	101	103	100	101	104	108	...
Exports	104	82	89	81	83	84	87	88	89	87	96	94	95	...
THAILAND														
Exports:														
Effective price in baht	117	104	97	122	124	124	133	128	135	139	136	138	...	...
Price in dollars (*IMF index*)	104	102	93	88	81	80	85	83	87	90	87	88	...	...
VIET-NAM[h]														
Imports	75	81	101	95	90	99	93	92	88	91	89	83	91	79
Exports	90	88	94	99	92	97	85	84	76	81	84	82	83	83
C. *Terms of trade*														
Percentage of unit value index of exports to unit value index of imports														
BURMA	57†	82	83	70	76	66	63	57	59	64	*69*	...	...	...
CEYLON	124	89	127	132	110	109	123	116	115	120	122	122	122	...
CHINA (Taiwan)	...	102	97	99	99	105	94	100	89	92	89	87	...	...
FEDERATION OF MALAYA and SINGAPORE	143	116	104	130	121	109	104	98	106	113	115	125	...	...
INDIA‡	...	100	110	101	103[i]	95	97	97	94	101	99	...	...	...
INDONESIA	138	103	105	120	116	112	97	100	88	98	92	...	...	...
JAPAN	98	94	100	96	97	94	106	103	113	112	108	115	115	113
KOREA, southern	...	...	...	...	...	100	89	87	91	94	97	101	106	108
PAKISTAN	167	139	109	99	89	85	71	68	69	69	68	...	...	...
PHILIPPINES	98	78	93	85	85	84	85	86	86	87	96	91	88	...
VIET-NAM	120	109	93	104	102	98	91	91	86	89	95	99	91	104

a. Original base: *Burma*, Apr 1936-Mar 1941 for the period prior to 1953, 1952 since 1953; *China (Taiwan)*, 1952; *Ceylon*, 1948; *India*, Apr 1952/Mar 1953; *Indonesia*, 1950; *Japan*, 1950; southern *Korea*, 1957; *Malaya*, 1938 for period prior to 1953, 1952 since 1953; *Pakistan*, Apr 1948/Mar 1949; *Philippines*, 1955; *Viet-Nam*, 1949.

b. All trade indexes since 1950 except the annual import price index have been computed on a fixed base (1948) weights method. The annual import price index has been computed by using moving current weights on 1948 base.

c. Figures from 1953, though linked to previous figures, have different treatment in imports and exports of petroleum products.

d. Indexes compiled by Ministry of Finance. The commodity groups are abridged titles of selected SITC sections and divisions.

e. Index in terms of U.S. dollars.

f. Imports excluding land trade. Index in terms of U.S. dollars.

g. Based on f.o.b. import prices.

h. See footnote h to table 6.

i. Calendar year from 1956.

11. INDEX NUMBERS OF WHOLESALE PRICES

1953=100[a]

	1952	1954	1955	1956	1957	1958	1958			1959			
							II	III	IV	I	II	July	Aug
BURMA													
All agricultural produce	103	100	96	99	114	112	113	113	108	*96*	...	...	...
Cereals	107	101	107	103	103	102	106	110	112	*99*	...	...	...
Non-food agricultural produce	112	114	107	103	125	137	145	139	128	*128*	...	...	...
CHINA (Taipei)													
General index	92	102	117	132	141	143	143	141	147	152	153	156	160
Food	78	105	114	123	135	142	139	137	149	157	157	163	170
Apparel	107	94	110	106	105	107	108	106	109	115	117	118	119
Metals and electrical materials[b]	104	102	158	190	197	189	193	188	182	184	184	181	187
Building materials	94	105	115	153	163	148	151	149	150	161	170	170	149
Manufactured products	91	104	120	143	162	158	157	158	162	164	165	164	165
Industrial materials	95	100	116	138	163	163	159	160	174	188	190	190	190
INDIA (*Apr-Dec 1953=100*)													
General index	...	94	87	97	103	105	103	110	108	107	108	111	111
Food articles	...	90	78	91	98	103	100	110	108	105	106	111	112
Industrial raw materials	...	94	88	103	107	104	104	108	104	105	108	109	108
Manufactured articles	...	102	101	106	109	110	109	110	110	110	110	111	111
Intermediate products	...	99	99	112	110	111	111	114	112	112	110	110	111
Finished products	...	102	101	105	109	109	109	110	110	109	110	111	111
INDONESIA (Djakarta) (imported goods)													
All articles	94	109	145	135	160	247	227	254	301	...	...	...	...
Provisions	84	110	144	146	178	244	228	240	283	...	...	...	...
Textile goods	89	110	169	118	137	248	223	262	312	...	...	...	...
Chemicals	90	109	151	137	141	208	194	215	248	...	...	...	...
Metals	105	98	115	135	169	234	213	237	295	...	...	...	...
IRAN (Teheran)													
General index	83	118	115	123	123	119	118	119	119	123	122	121	...
Domestic products	88	124	117	124	131	133	130	135	136	142	145	142	...
Imported products	86	107	105	96	88	82	82	83	84	84	85	85	...
Exported products[c]	76	117	116	136	134	125	124	122	120	120	120	119	...
JAPAN													
General index	100	99	98	102	105	98	98	97	97	98	98	98	99
Edible farm products	93	112	112	109	112	117	117	117	117	116	116	115	116
Textiles	101	92	87	88	82	75	77	76	72	74	75	75	79
Chemicals	108	93	90	94	95	88	89	86	85	85	85	85	85
Metal and machinery	105	94	97	116	119	103	104	100	100	103	105	105	105
Building materials	85	104	96	104	115	107	107	105	106	109	108	108	109
Producer goods	100	96	95	103	107	98	99	96	95	97	98	98	99
Consumer goods	100	103	101	100	102	99	98	98	99	99	99	99	100
KOREA, southern (*1955=100*)													
General index	...	...	100	132	153	143	146	145	141	139	145	149	152
Foods	...	...	100	141	168	145	152	150	135	129	142	144	146
Metal products and machinery	...	...	100	130	162	159	155	159	164	167	171	177	178
Building materials	...	...	100	121	135	144	143	143	155	149	153	158	163
Textiles	...	...	100	122	127	126	126	124	126	121	121	126	134
Producer goods	...	...	100	138	156	156	155	155	159	162	167	174	179
Consumer goods	...	...	100	129	152	138	142	141	133	129	136	138	142
PHILIPPINES (Manila)													
General index	101	95	92	95	99	103	102	103	102	103	103	103	104
Food	107	97	95	96	102	105	106	106	101	98	97	98	97
Crude materials	81	88	84	90	92	99	95	97	109	117	118	108	111
Chemicals	103	95	88	88	93	96	97	95	97	100	99	100	100
Manufactured goods	109	96	92	100	103	104	104	103	102	105	108	109	112
Domestic products	100	94	92	94	98	101	101	101	101	101	101	100	100
Exported products	82	88	81	84	88	98	94	97	107	113	114	102	104
Imported products	105	97	92	100	106	110	110	110	111	114	117	120	123
THAILAND (Bangkok)													
General index	107	98	114	117	118	123	122	124	126	115	116	117	118
Agricultural produce[d]	120	98	136	130	130	143	136	146	153	133	134	132	134
Foodstuff[d]	98	96	108	116	115	122	123	123	123	111	112	115	115
Clothes	131	99	102	101	101	101	101	101	101	101	101	100	100
Metal	135	97	126	139	141	108	107	103	105	112	115	114	113
Construction materials	97	103	104	103	105	103	103	102	102	102	103	103	103
VIET-NAM (Saigon-Cholon)													
General index	87	105	117	122	123	124	122	128	126	117	118	121	124
Rice and paddy	90	83	99	113	106	119	111	126	124	96	94	101	106
Raw materials	92	117	145	131	139	126	123	125	128	130	134	135	139
Semi-finished products	87	120	123	131	138	129	129	130	125	124	128	127	126
Manufactured products	86	120	124	121	111	117	118	117	115	118	122	111	118
Local products	89	100	116	123	121	123	118	127	125	111	113	117	120
Imported products	83	121	121	124	130	131	132	130	128	133	134	129	132

a. Original base: *Burma*, 1938-40; *China* (*Taiwan*), Jan-Jun 1937 prior to 1959, 1956 since 1959 except indexes of manufactured products and industrial materials for which the base is 1951; *India*, Apr 1952/Mar 1953; *Indonesia*, 1938; Japan, 1952; southern *Korea*, and *Philippines*, 1955; *Thailand*, Apr 1938/Mar 1939; *Viet-Nam*, 1949.

b. Beginning 1959, metals and manufactures thereof.

c. Excluding petroleum.

d. Agricultural produce including paddy, rice meal, copra, rubber, etc.; foodstuff including milled rice, pork, bananas, etc.

12. PRICE QUOTATIONS OF MAJOR EXPORT COMMODITIES

	Unit	1952	1953	1954	1955	1956	1957	1958	1958			1959			
									II	III	IV	I	II	July	Aug
RICE															
Burma	£ per L. ton	52.5	60.0	49.0	41.1	35.6	34.2	37.0	37.0	37.0	37.0	34.2	33.0	33.0	33.0
China(Taiwan)	NT$ per m.ton	2,125	3,527	3,133	2,634	3,776	3,644	3,643	3,643	—	3,643	5,307	5,309	—	—
Thailand	£ per L. ton	56.7	63.4	57.3	50.5	48.9	49.8	53.1	53.4	54.5	52.5	47.4	49.1	49.1	48.3
SUGAR															
China (Taiwan)	US$ per ton	151.1	98.2	104.9	104.6	104.3	139.3	98.4	97.5	94.2	99.8	83.6	85.5	88.5	...
India	Rs.per maund.	30.4	28.4	31.1	28.1	27.9	30.8	32.5	35.2	36.0	35.7	35.7	35.7	35.7	...
Indonesia	Rp.per 100kg.	286	285	308	306	302	350	418	418	440	440	440	440	...	...
Philippines	Peso per picul	14.3	15.2	14.9	13.8	14.0	14.8	15.3	15.4	15.4	15.4	14.5	14.9	15.2	15.1
TEA															
Ceylon	Rs. per lb.	2.30	2.46	3.11	3.30	3.00	2.78	2.75	2.89	2.67	2.71	2.69	2.82	2.69	2.55
China (Taiwan)	NT$ per kg.	8.71	9.64	11.25	11.49	11.96	10.08	13.20	12.69	13.44	13.02	17.97	18.65	18.78	17.70
India[r]	Rs. per lb.	1.64	2.00	3.18	3.05	2.58	2.63	2.52	2.56	3.09	2.35	2.12	2.18	2.78	2.75
Indonesia	Rp.per 100kg.	912	1,037	1,469	1,459	*1,072*	*1,097*	*1,116*	*1,134*	*1,138*	*1,081*	*1,172*	*1,092*	...	...
PEPPER															
Cambodia	Rs.per 63.42 kg.	5,004	6,238	4,663	3,507	4,350	4,771	3,465	3,537	3,550	3,075	2,783	2,650	...	...
India	Rs.per maund	337.7	285.9	162.4	131.6	110.9	77.7	71.7	68.3	90.0	71.2	94.0	92.5	94.2	...
Indonesia	Rp.per 100kg.	3,031	2,583	1,478	745	*551*	*469*	*457*	*502*	*526*	*417*	*408*	...	...	...
Sarawak	M$ per picul	447.9	313.7	159.6	109.6	70.2	69.5	66.9	63.6[a]	— 70.0 —		— 72.9 —		...	...
Singapore	M$ per picul	507.4	395.3	204.8	135.6	94.7	72.8	69.8	70.9	75.7	68.3	71.5	75.0	75.0	89.2
HIDES															
Pakistan	Rs.per 28 lbs.	24.42	21.61	25.54	31.72	29.49	29.08	29.24	29.03	28.00	26.75	27.10	34.50	33.00	...
SKINS															
India	Rs.per 100 pcs.	266.8	336.0	320.0	287.6	300.4	353.1	336.9	338.3	321.1	350.8	375.0	375.0	375.0	...
Pakistan	Rs.per 100 pcs.	...	178.7	208.2	211.9	254.6	287.4	252.5	242.1	242.8	241.7	256.2	274.2	...	...
GROUNDNUTS															
India	Rs.per maund	22.94	29.11	21.36	15.94	24.42	25.34	25.15	23.78	28.21	26.42	26.36	28.82	31.38	...
COPRA															
Ceylon	Rs. per candy	203.8	267.2	246.8	209.5	212.2	239.8	264.8	260.7	259.0	272.7	299.1	302.9	311.4	296.2
Federation of Malaya	M$ per picul	28.82	35.30	30.68	26.38	25.70	26.85	35.13	33.17	34.50	41.33	43.17	42.17	36.50	38.50
Indonesia	Rp.per 100kg.	169	219	194	193	178	*156*	*179*	*153*	*186*	*227*	*256*	...	...	...
Philippines	peso per100kg.	24.63	36.62	30.76	27.12	26.02	28.43	37.70	35.02	35.83	44.99	51.89	50.35	37.62	37.84
Singapore	M$ per picul	29.09	37.59	32.55	28.14	27.45	27.34	33.89	32.94	32.81	38.96	42.30	43.26	36.00	37.05
RUBBER, NATURAL															
Burma	K. per lb.	1.10†	1.10	0.81	1.29	1.58	1.31	...	...	...	...	...	...	...	...
Cambodia	Ri. per kg.	...	...	13.98	18.75	18.26	16.45	16.47	15.58	16.37	17.43	17.65	18.77	19.29	...
Ceylon	Rs. per lb.	1.76	1.54	1.36	1.56	1.50	1.43	1.24	1.20	1.20	1.29	1.29	1.43	1.47	1.51
Indonesia	Rp.per 100kg.	853	565	545	898	*821*	*746*	*641*	*604*	*640*	*685*	*694*	...	...	...
Singapore	M Cents per lb.	96.07	67.44	67.30	114.16	96.76	88.75	80.25	74.84	81.19	87.03	87.19	98.27	98.08	107.50
Thailand	Baht per kg.	10.14	7.30	8.17	13.59	11.25	10.87	10.33	10.00	10.20	12.01	1.29	1.43	1.47	1.51
TIMBER															
Burma	K.per cu.ton	976	929	876	921	923	*888*	...	...	...	...	...	...	...	...
Federation of Malaya	M$per 50 cu.ft.	150.3	148.2	149.4	156.6	158.2	144.6	143.3	148.8	136.6	140.6	123.9	124.8	121.5	125.9
North Borneo	M$per 50 cu.ft.	133.9	118.3	82.9	77.9	77.5	66.1	64.7	65.7	63.8	66.0	65.4	70.6	...	...
Philippines	Peso per 1,000 bd.ft.	116	109	117	114	112	105	102	102	102	100	102	104	104	...
Thailand	Baht per cu. m.	1,933	2,436	3,023	3,614	4,098	4,090	3,867	4,236	4,017	4,238	4,225	3,799	3,850	3,940
WOOL, RAW															
Pakistan	Rs. per lb.	1.71	2.09	2.25	2.15	2.70	2.77	2.06	1.83	1.88	2.06	2.16	*2.30*	2.50	2.60
COTTON, RAW															
Burma	K. per lb.	1.75†	1.08	1.34	1.33	1.00	1.14	...	...	...	...	...	...	...	...
India	Rs.per 784 lbs.	716.0	710.0	734.0	635.8	786.7	766.7	732.0	737.0	728.3	694.8	738.1	770.8	780.2	...
Pakistan	Rs. per bale	629.7	405.2	443.5	443.6	503.7	511.1	451.3	481.6	431.9	393.8	*403.1*	*394.5*	408.5	416.3

12. PRICE QUOTATIONS OF MAJOR EXPORT COMMODITIES *(Cont'd)*

	Unit	1952	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
JUTE, RAW															
India	*Rs. per 400 lbs.*	173	132	148	172	173	207	192	198	190	175	185	185	190	192
Pakistan	*Rs. per 400 lbs.*	134	106	135	150	187	214	188	200	188	172	183	193	...	...
United Kingdom	*£ per L. ton*	113	96	102	98	103	114	100	114	108	106	112	114	110	108
HEMP, RAW															
Philippines[r]	*Peso per picul*	64.0	38.4	28.8	31.0	37.4	46.8	39.2	30.9	41.3	44.0	51.2	57.1	55.9	62.3
GROUND NUT OIL															
India	*Rs. per quarter*	17.32	22.34	15.38	11.92	17.82	19.11	18.79	18.46	20.47	18.88	18.74	21.20	25.2	...
PALM OIL															
Indonesia	*Rp.per 100kg.*	228	214	204	220	*233*	*232*	*212*	*218*	*201*	*196*	*201*	*204*	...	...
COCONUT OIL															
Ceylon	*Rs. per L. ton*	1,247	1,519	1,454	1,156	1,168	1,256	1,396	1,390	1,369	1,454	1,607	1,668	1,694	1,857
Philippines	*Peso per kg.*	0.46	0.69	0.57	0.48	0.45	0.47	0.66	0.61	0.63	0.82	0.86	0.86	0.70	0.67
Singapore	*M$ per picul*	48	59	55	44	44	46	54	51	52	63	67	69	60	60
RAYON YARN															
Japan	*Yen per lb.*	245	229	209	173	172	171	151	151	150	148	145	145	145	153
COTTON PIECE GOODS															
India	*Rs. per lb.*	1.88	1.89	1.88	1.80	1.94	2.04	1.81	1.82	1.79	1.77	1.80	1.82	1.82	...
Japan	*Yen per yd.*	63	60	57	50	54	48	42	44	43	43	50	50	51	53
JUTE MANUFACTURES															
India (bag)	*Rs.per 100 bags*	138.0	98.8	111.8	115.6	111.2	114.6	98.6	99.4	98.0	95.5	91.6	94.3	97.9	...
India (hessian)	*Rs.per 100 yd.*	55.6	46.1	47.2	45.0	43.0	44.3	43.0	42.5	44.3	44.0	42.2	42.4	—	41.8
TIN															
Indonesia	*Rp.per m.ton*	19,220	19,377	14.215	14.986	*16,078*	*16,011*	*15,649*	*15,751*	*15,178*	*15,932*	*15,299*	*15,189*	*15,434*	*13,269*
Singapore	*M$ per picul*	480.1	363.9	353.6	365.5	387.0	373.2	369.3	365.8	368.1	380.1	395.7	399.4	400.0	400.2
Thailand	*Baht per kg.*	15.4	20.3	26.9	28.2	28.8	28.9	28.0	21.9	27.2	28.3	30.8	30.5	33.1	28.6
PETROLEUM, CRUDE															
Indonesia	*Rp.per m.ton*	74	76	160	160	*163*	*163*	*181*	*182*	*182*	*192*	*195*	*178*	*171*	*190*
Sarawak	*M$ per m.ton*	62	64	65	63	61	64	65	65	66	64	—	61 —	...	...

SPECIFICATIONS:

RICE:
Burma—Average of export contract prices f.o.b. white rice, No. 1 small mills special ngasein.
China (Taiwan)—Unit value of export of rice and paddy.
Thailand—Export price f.o.b. Bangkok, white rice 5% broken; prior to 1955 export contract price f.o.b.

SUGAR:
China (Taiwan)—Monthly average price of all kinds of sugar f.o.b. Taiwan ports.
India—Wholesale prices, D. 28 Kanpur.
Indonesia—Domestic wholesale prices of white sugar, Djakarta.
Philippines—Wholesale prices of centrifugal sugar, Manila.

TEA:
Ceylon—Average prices for all grades f.o.b.
China (Taiwan)—Unit value of export of black tea. For 1951, average of Jan.-Jun.
India—Export price at Calcutta auctions, leaf, all types.
Indonesia—Export prices f.o.b. for B.O.P., O.P., P.S. and B.P.

PEPPER:
Cambodia—Wholesale prices, black ex-store.
India—Wholesale prices, ungarbled (alleppey) Calcutta.
Indonesia—Export prices, f.o.b. black Lampong.
Sarawak—Unit value of exports of black pepper.
Singapore—Wholesale prices, black Lampong.

HIDES:
Pakistan—Average wholesale prices of Karachi unframed arsinicated mixed 12/40 lbs. (buffalo), Karachi.

SKINS:
India—Wholesale prices of raw goat skin, average quality, Calcutta.
Pakistan—Average wholesale prices of sheep skin, Papra (dewooled all primes), Karachi.

GROUNDNUTS:
India—Wholesale prices of ground nuts, machine shelled, Cuddalore.

COPRA:
Ceylon—f.o.b. prices for all grades.
Federation of Malaya—Wholesale prices, sundried.
Indonesia—Export prices f.o.b. mixed. Prior to August 1951 "f.m.s. and mixed".
Philippines—Wholesale prices, resecada, Manila.
Singapore—Wholesale prices, sundried.

RUBBER, NATURAL:
Burma—Unit value of exports.
Cambodia—Unit value of exports.
Ceylon—f.o.b. prices of all grade of rubber excluding latex.
Indonesia—Export prices f.o.b. R.S.S. 1 and Crepe 1.
Singapore—Buyers' midday prices, f.o.b. Singapore No. 1 RSS in bales. Since 1952 average of daily prices.
Thailand—Unit value of exports of rubber smoked sheet. Annual figures relate to whole kingdom, monthly & quarterly figures relate to Port of Bangkok only.

TIMBER:
Burma—Unit value of teak exports.
Federation of Malaya—Unit value of net exports of timber.
North Borneo—Unit value of sawn logs for 1951-1954; sawn logs and veneer logs, non-coniferous from 1955 to date.
Philippines—Unit value of exports of logs and lumber.
Thailand—Unit value of exports of teak board. Annual figures relate to whole kingdom, monthly and quarterly figures relate to Port of Bangkok only.

WOOL, RAW:
Pakistan—Unit value of exports.

COTTON, RAW:
Burma—Unit value of exports.
India—Wholesale prices, Jarilla M.G.F., Bombay.
Pakistan—Unit value of exports.

JUTE, RAW:
India—Domestic price at Calcutta, raw lightnings.
Pakistan—Domestic/export f.o.b. Chittagong, raw, baled, export firsts.
United Kingdom — Domestic/import price c. and f. Dundee, Pakistan mill firsts; prior to June 1951, c.i.f.

HEMP, RAW:
Philippines—Domestic/export price at Manila, Manila Hemp, Grade G.

GROUND-NUT OIL:
India—Wholesale prices, naked, Bombay.

PALM OIL:
Indonesia—Export prices f.o.b.

COCONUT OIL:
Ceylon—f.o b. prices for all grades.
Philippines—Wholesale prices, Manila.
Singapore—f.o.b. Singapore.

RAYON YARN:
Japan—Export prices f.o.b. viscose, 120 denier hank, 1st grade.

COTTON PIECE GOODS:
India—Wholesale prices of grey standard shirting 35" X 38 yds. Bombay.
Japan—Export prices f.o.b., heavy shirting s/2003 grey 38".

JUTE MANUFACTURES:
India—Export prices of bags, B-twills 2¼ lbs. 44 X 26½" f.a.s. Calcutta.
India—Domestic/export prices of hessian cloth 10½ oz. 40" Calcutta.

TIN:
Indonesia—Unit value of exports of tin and tin ore.
Singapore—Export prices ex-works.
Thailand—Unit value of exports of tin ore and tin in concentrates. Annual figures relate to whole Kingdom, monthly and quarterly figures relate to Port of Bangkok only.

PETROLEUM, CRUDE:
Indonesia—Unit value of exports of crude petroleum.
Sarawak—Unit value of exports of crude petroleum.

a. Average of January to June.

13. INDEX NUMBERS OF PRICES RECEIVED AND PAID BY FARMERS *1953=100*[a]

	1952	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
CHINA (Taiwan)													
Prices received by farmers (R)	74	92	102	110	122	122	121	119	124	127	...	...	...
Prices paid by farmers (P)	73	93	101	111	118	*120*	122	118	120	125	...	...	...
Cultivation cost	73	93	106	113	120	125	126	122	124	131	...	...	...
Domestic expenditure	73	92	100	109	117	117	120	116	119	123	...	...	...
Ratio (R) ÷ (P)	102	99	100	99	103	102	99	101	103	101	...	...	...
INDIA (Punjab)													
Prices received by farmers (R)	94	94	78	97	104	107	97	115	122	...	...	...	...
Prices paid by farmers (P)	102	98	86	96	104	108	104	112	117	...	...	...	...
Cultivation cost	105	92	79	91	95	105	98	109	118	...	...	...	...
Domestic expenditure	101	102	91	99	110	111	107	113	116	...	...	...	...
Ratio (R) ÷ (P)	92	96	90	101	100	99	93	102	104	...	...	...	...
INDIA (West Bengal, *1954=100*)													
Prices received by farmers (R)	...	100	102	118	135	143	137	160	150	...	...	...	...
Prices paid by farmers (P)	...	100	98	106	113	119	118	125	121	...	...	...	...
Cultivation cost	...	100	98	103	105	111	109	114	114	...	...	...	...
Domestic expenditure	...	100	97	108	118	124	123	131	124	...	...	...	...
Ratio (R) ÷ (P)	...	100	105	111	119	120	116	128	125	...	...	...	...
JAPAN[b] (*Apr 1953-Mar 1954=100*)													
Prices received by farmers (R)	85‡	98‡	95‡	98	99	97	96	97	97	96	96	...	...
Prices paid by farmers (P)	98‡	103‡	101‡	102	105	103	104	103	102	102	103	...	...
Cultivation cost	99‡	102‡	98‡	98	102	100	102	99	98	97	96	...	...
Domestic expenditure	97‡	103‡	103‡	103	106	105	105	105	105	105	106	...	...
Ratio (R) ÷ (P)	87‡	96‡	94‡	97	94	94	93	94	95	94	93	...	...

a. Original base: *China* 1952, *India, Punjab*, Sep 1938/Aug 1939; *West Bengal*, 1939; *Japan*, Apr 1951/Mar 1952.

b. Index numbers of commodity prices in 473 towns or villages. Annual figures prior to 1956 relate to fiscal year April to March.

14. INDEX NUMBERS OF COST OF LIVING *1953=100*[a]

	1952	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
A. All items													
BURMA: Rangoon	103	96	98	111	119	115	116	125	110	96	97	98	...
CAMBODIA: Phnom-Penh	78	108	121	127	127	135	133	140	139	135	137	140	...
CEYLON: Colombo	98	100	99	99	101	103	103	102	104	103	104	104	103
CHINA: Taipei	84	102	112	123	133	134	133	134	136‖	137	140	146	153
HONG KONG	99	98	95	97	98	96	95	97	98	105	104	107	106
INDIA (*interim index*)	97	95	90	99	104	109	106	113	114	110	112	116	118
IRAN	94	118	122	130	139	140	138	139	144	155	166	...	...
JAPAN (*urban*)	94	106	105	106	109	108	108	109	109	108	109	109	111
KOREA: Seoul	66	137	‖231	284	350	339	342	343	343	342	351	347	350
LAOS: Vientiane	74	123	125	141	174	187	182	207	189	204	...	...	...
MALAYA, Federation of	103	94	91	92	96	95	95	94	94	93	92	92	91
PAKISTAN: Karachi	90	98	94	97	106	110	112	114	103	101	104	106	108
Narayanganj	101	84	85	99	104	110	107	120	107	104	107	...	112
PHILIPPINES: Manila	104	99	98	100	102	105	105	106	107	104	102	104	105
SINGAPORE	101	93	91	92	94	92	92	91	92	92	91	91	...
THAILAND: Bangkok	91	100	105	111	118	125	128	129	121	120	123	119	119
VIET-NAM: Saigon	79	113	124	139	133	130	127	132	131	134	132	132	135
B. Food													
BURMA: Rangoon	104	97	96	106	119	115	117	128	107	90	91	...	...
CAMBODIA: Phnom-Penh	76	103	119	130	129	140	138	146	146	140	144	146	...
CEYLON: Colombo	94	100	99	97	99	100	100	98	99	98	101	99	98
CHINA: Taipei	78	102	108	126	137	138	135	138	142‖	142	146	155	168
HONG KONG	95	95	90	95	95	93	91	95	96	108	105	111	109
INDIA (*interim index*)	94	93	85	97	103	109	105	114	115	109	111	117	118
INDONESIA: Djakarta	94	106	141	161	177	258	226	264	286	306	300	323	325
IRAN	92	114	114	121	126	120	121	118	120	131	142	...	...
JAPAN (*urban*)	94	108	105	105	108	106	105	107	107	106	106	106	109
KOREA: Seoul	77	116	‖206	282	339	310	324	324	301	295	310	304	306
LAOS: Vientiane	70	122	118	122	157	174	167	208	170	198	...	...	...
MALAYA, Federation of	103	90	87	88	93	91	92	90	91	90	88	88	87
PAKISTAN: Karachi	93	98	95	100	113	117	120	123	108	106	110	114	116
Narayanganj	103	79	80	97	102	105	103	108	106	101	102	...	109
PHILIPPINES: Manila	106	99	98	101	105	111	110	112	113	106	102	105	107
SINGAPORE	101	91	88	89	91	87	87	86	86	86	85	85	...
THAILAND: Bangkok	91	98	103	108	117	126	130	131	121	118	122	116	117
VIET-NAM: Saigon	80	107	121	140	129	125	121	129	127	128	123	124	127

GENERAL NOTES: **All figures refer to working class expenditures except for the following countries: *China (Taiwan)*, public servants; *Hong Kong*, clerical and technical workers; *Indonesia*, government employees; *Japan*, urban population; southern *Korea*, salary workers and wage earners; *Laos*, middle class; *Singapore*, low income clerks and labourers; *Thailand*, low salaried workers and civil servants.**

a. Original base: *Burma*, 1941; *Cambodia*, 1949; *Ceylon*, 1952; *China (Taiwan)*, Jan-Jun 1937 prior to 1959, 1956 since 1959; *Hong Kong*, Mar 1947; *India*, 1949; *Indonesia* July 1938; *Japan*, 1951 for period prior to 1955, 1955 for subsequent years; southern *Korea*, 1955; *Laos*, Dec 1948; *Federation of Malaya*, Jan. 1949; *Pakistan*, Apr 1948/Mar 1949; *Philippines*, 1955; *Singapore*, 1939; *Thailand*, Apr 1938/Mar 1939; *Viet-Nam*, 1949.

15. EMPLOYMENT AND WAGES

Base for index numbers, 1953[a]

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
CEYLON													
Index of wages													
Tea and rubber estate workers[b]	100	102	106	107	108	110	110	109	110	109	110	110	110
Government workers (Colombo)[c]	100	100	104	106	109	125	125	125	125	125	125	125	125
Index of real wages													
Tea and rubber estate workers[b]	100	103	107	108	107	107	107	107	106	107	106	106	107
Government workers (Colombo)[c]	100	101	106	107	107	121	121	122	120	122	120	120	121
CHINA (Taiwan)													
Employment[d] (*thousand*)													
Mining	57	53	55	66	74	74	73	72	74	72	74	...	...
Manufacturing	238	258	258	260	261	261	261	261	261	261	262	...	...
Transport	55	64	66	68	71	73	71	71	73	73	75	...	...
Index of earnings[e]													
Mining	100	105	131	174	227	243	249	237	239	240	241	...	...
Manufacturing	100	111	125	141	155	165	160	162	170	179	173	...	...
Index of real earnings[e]													
Mining	100	110	124	150	184	194	198	191	189	183	183	...	...
Manufacturing	100	117	119	122	125	131	127	130	135	137	130	...	...
FED. OF MALAYA[f]													
Employment (*thousand*)													
Estate[g]	...	297	309	309	307	314	...	...	...	...	...	...	...
Rubber	...	268	278	280	277	282	...	...	...	...	...	...	...
Tin mining	...	35	40	40	38	26	...	...	...	...	...	...	...
Government	...	...	171	171	189	187	...	...	...	...	...	...	...
INDIA													
Employment[h] (*thousand*)													
Factories under Factory Act	2,528	2,590	2,690	3,402	3,480	*3,324*	...	...	...	...	...	...	...
Cotton mills	744	741	758	807	812	770	748	768	782	766	746	762	769
Coal mines[i]	338	332	341	333	350	364	362	359	368	377	361	351	...
Central government[j]													
Office workers	213	221	251	281	300	313	307	311	313	315	318	320	...
Manual workers	403	412	396	388	389	401	396	399	401	404	406	407	...
Wages or earnings (*rupees*)													
Cotton mills[k] (Bombay, *monthly*)	96.0	96.3	94.8	98.8	104.2	111.8	109.4	115.0	114.5	112.8	114.2	...	...
Coal mines[m] (Jahria, *weekly*)	13.2	14.2	14.2	17.4	20.5	22.0	22.3	21.9	22.1	22.5	23.0	22.8	...
JAPAN													
Employment[n] (*million*)													
All industries	39.1	39.6	40.9	41.7	42.8	43.1	44.2	43.7	43.7	41.2	44.9	45.0	...
Agriculture, forestry & hunting	16.9	16.5	16.9	16.4	16.1	15.5	16.7	16.3	15.4	12.4	17.0	16.3	...
Mining	0.6	0.6	0.5	0.5	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.7	...
Manufacturing	6.8	7.0	7.1	7.6	8.1	8.6	8.7	8.6	8.6	8.7	8.2	8.8	...
Construction	1.6	1.7	1.8	1.8	2.0	2.0	1.9	2.0	2.2	2.4	2.2	2.2	...
Commerce	5.8	6.3	6.7	7.0	7.3	7.5	7.5	7.5	7.7	7.4	7.6	7.8	...
Transportation and communication and other public utilities	1.9	1.9	1.9	2.1	2.2	2.2	2.1	2.2	2.3	2.3	2.2	2.3	...
Services (non-government)	3.7	3.8	4.3	4.6	4.9	5.0	4.9	4.8	5.1	5.4	5.1	4.9	...
Index of earnings[p]													
Mining	100	101	108	118	137	140	117	164	165	119	135	147	...
Manufacturing	100	105	109	120	124	127	119	130	151	112	129	180	...
Index of real earnings[p]													
Mining	100	95	103	112	125	130	108	151	152	109	124	134	...
Manufacturing	100	99	104	113	114	117	110	120	139	103	118	164	...
Daily money wages of agricultural labour, male (*yen*)	257	285	301	308	323	337	352	347	341	319	362	...	...
KOREA, southern													
Wages or earnings[q] (*thousand hwan*)													
Mining	...	...	...	...	31.6	35.7	36.0	35.2	36.9	36.6	37.3	36.9	36.7
Manufacturing	...	...	...	...	22.3	24.1	23.4	24.3	25.7	25.6	26.5	26.5	26.8
PHILIPPINES													
Index of employment[s]													
Mining	100	77	81	81	77	72	71	72	75	77	76	...	...
Manufacturing	100	106	106	107	113	113	112	111	115	120	119	...	...
Index of wages[t] (Manila)													
Skilled	100	101	101	101	101	104	103	105	104	105	106	106	...
Unskilled	100	99	102	103	102	103	103	103	104	105	103	103	...
Index of real wages[t] (Manila)													
Skilled	100	105	106	104	101	101	101	101	101	104	107	105	...
Unskilled	100	103	107	106	103	100	100	99	100	104	105	103	...
THAILAND													
Employment in mining[h] (*thousand*)	16.1	14.7	*15.6*	*16.6*	*17.4*	*14.9*	*14.8*	*14.3*	*14.1*	*13.9*	*14.0*	*14.2*	...

a. Original bases for wages or earnings index: *Ceylon*, 1939; *China (Taiwan)*, June 1949; *Japan*, 1955; *Philippines*, 1955.
b. Daily rates of minimum wages (basic wages plus special allowance).
c. Monthly wage rates for unskilled male workers in government employment.
d. Staff and permanent workers at end of period.
e. Daily average of wages and allowances including payment in kind.
f. June for 1954, August for 1955, July for 1956 to 1958.
g. Comprising rubber, oil palm, coconut, tea and pineapple.
h. Daily averages.
i. Average daily employment in all coal mines governed by the Indian Mines Act. Monthly figures are slightly short of total coverage.
j. Central Government establishments excluding railways. Office workers comprise administrative, executive and clerical staff; manual workers comprise skilled, semi-skilled and unskilled workers. Figures relate to end of period.
k. Monthly minimum basic wages plus dearness allowance.
m. Average weekly earnings (basic wages plus dearness allowance and other payments) of underground miners and loaders in coal mines.
n. From 1953, average for the week ending on the last day of the month, except for December when the week prior to holiday seasons was chosen.
p. Average monthly cash earnings per regular workers.
q. Total monthly average earnings of regular employees based on the payroll returns from about 400 constant sample establishments throughout the country engaged in mining and manufacturing (excluding tobacco and salt manufacturing).
s. Comprises all full and part-time empolyees of 600 cooperating establishments in the Philippines who were on the payroll, i.e., who worked during, or received pay for, the pay period ending nearest the 15th of the month. Excluding proprietors, self-employed persons, domestic servants and unpaid workers.
t. Daily average wage rates of all classes of workers.

16. CURRENCY AND BANKING

End of period

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
BURMA (*million kyats*)													
Money supply	753	842	1,116	1,343	1,106	1,311	1,283	1,298	1,311	1,584	1,603	1,609	1,593
Currency: net active	500	567	725	830	746	853	875	839	853	1,120	1,122	1,111	1,093
Deposit money	253	275	391	513	360	458	408	459	458	464	481	498	500
Private time deposits (Commercial banks)	52	77	122	103	100	118	108	117	118	122	121	123	129
Government deposits	498	297	248	248	282	281	274	293	281	300	294	321	313
Union Bank of Burma	464	183	130	117	77	50	48	55	50	44	26	49	64
Commercial Bank[a]	34	114	118	131	205	231	227	238	231	256	268	272	249
Bank clearings Δ	234	241	283	333	356	310	296	312	280	280	315	328	293
Foreign assets	1,058	643	540	652	446	576	548	613	576	599	665	670	704
Union Bank of Burma	991	555	415	535	382	490	473	538	490	501	587	592	624
Commercial banks	67	88	124	117	64	86	75	75	86	98	78	78	80
Claims on private sector (commercial banks)	161	212	216	250	343	270	304	273	270	298	263	265	261
Claims on government	213	543	941	1,020	1,002	1,185	1,109	1,141	1,185	1,454	1,401	1,427	1,382
Union Bank of Burma[b]	151	388	652	662	762	710	687	609	710	946	818	783	757
Commercial banks	62	155	289	358	240	475	422	532	475	508	583	644	625
Rates of interest (*% per annum*)													
Call money rate Δ	1.10	0.98	1.27	0.94	1.42	1.60	1.50	1.00	1.00	1.00	1.00	1.00	1.00
Yield of long term gov't bonds[c] Δ	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Exchange rate (selling)	4.775	4.808	4.778	4.808	4.775	4.785	4.775	4.780	4.785	4.760	4.760	4.765	4.770
CAMBODIA (*million riels*)													
Money supply													
Currency: in circulation	...	...	999	1,058	1,355	1,472	1,584	1,588	1,472	1,699	1,856	1,791	1,771
Demand deposits in commercial banks	...	...	1,035	1,104	693	885	874	895	885	948	1,160	1,164	1,195
Private time deposits	...	...	37	15	84	76	111	100	76	89	133	186	186
Bank clearings Δ	125	273	446	412	481	520	489	513	514	523	459	628	533
Foreign assets	...	...	1,968	2,559	2,911	3,442	3,367	3,540	3,442	3,506	3,757	3,820	3,816
Banque Nationale du Cambodge	...	...	1,751	2,454	2,756	3,366	3,291	3,435	3,366	3,445	3,672	3,699	3,641
Commercial banks	...	...	217	105	155	76	76	105	76	62	86	121	175
Claims on private sector	...	...	329	563	812	776	840	791	776	787	843	853	877
Claims on government by Banque Nationale du Cambodge	...	...	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014
CEYLON (*million rupees*)													
Money supply	827	957	1,073	1,127	1,040	1,077	1,015	1,072	1,077	1,089	1,094	1,094	1,094
Currency: net active	335	342	384	401	435	530	475	501	530	529	546	542	540
Deposit money	492	615	688	726	605	547	540	571	547	560	548	552	554
Private time deposits	387	420	451	513	560	618	580	592	618	631[r]	646	644	652
Government deposits	53	69	116	176	128	164	144	183	164	146	136	138	132
Central Bank of Ceylon	7	16	42	67	12	28	14	12	28	15	18	20	20
Commercial banks	46	53	74	109	116	136	130	171	136	131	118	118	112
Bank clearings Δ	671	684	758	735	730	661	573	769	652	690	693	683	757
Bank debits[d] Δ	1,148	1,107	1,060	1,063	1,111	970	882	1,082	951	1,004	1,008	1,056	1,080
Foreign assets	342	656	880	898	700	653	599	657	653	641	604	576	568
Central Bank of Ceylon	245	524	655	737	591	539	493	534	539	530	495	467	453
Commercial banks	97	132	225	161	109	114	105	122	114	111	109	109	115
Claims on the private sector (commercial banks)	207	247	256	344	399	436	417	436	436	452	447	465	463
Claims on government	788	622	601	682	771	918	875	872	918	945[r]	993	1,026	1,044
Central Bank of Ceylon	227	27	18	11	88	261	208	228	261	273	318	355	372
Other banks	561	595	583	671	683	656	663	639	656	672[r]	674	670	673
Rates of interest (*% per annum*)													
Call money rate Δ	0.96	0.50	0.50	0.50	1.08	1.25	1.25	1.25	1.25	1.25	1.42	1.50	...
Treasury bill rate Δ	1.91	1.59	0.79	0.68	0.88	1.54	1.51	1.59	1.67	1.80[r]	1.91	2.00	2.00
Yield of long term gov't bonds[c] Δ	3.85	3.79	3.13	3.04	2.99	2.91	2.92	2.89	2.86	2.82[r]	2.79	2.77	2.73
Exchange rate (selling)	4.762	4.795	4.772	4.800	4.765	4.755	4.762	4.755	4.755	4.752	4.749	4.749	4.749
CHINA (Taiwan, *million new Taiwan dollars*)													
Money supply	1,617	2,103	2,636	3,261	3,938	5,238	4,098	4,582	5,238	5,184	5,410	5,272	5,420
Currency: net active	1,072	1,340	1,604	1,883	2,228	2,927	2,250	2,679	2,927	2,837	2,897	2,938	3,071
Deposit money	545	763	1,032	1,378	1,710	2,310	1,848	1,903	2,310	2,346	2,514	2,334	2,349
Private time deposits	698	887	1,010	1,049	1,473	2,687	1,785	2,288	2,687	3,026	3,448	3,323	3,269
Government deposits	584	810	998	1,295	1,606	1,738	1,686	1,720	1,738	1,905	1,879	2,022	2,083
Bank of Taiwan	536	743	826	1,167	1,441	1,551	1,490	1,504	1,551	1,694	1,685	1,827	1,879
Other banks	48	67	172	128	164	188	196	217	188	211	194	195	203
Counterpart funds	637	631	1,405	1,485	1,678	1,623	1,606	1,760	1,623	1,729	2,088	1,938	1,973
Bank clearings Δ	1,740	1,720	2,887	3,857	5,121	5,410	5,787	4,914	5,568	5,788	6,977	7,273	6,267
Foreign assets (Bank of Taiwan: net)	412	134	504	528	649	1,708	1,353	1,279	1,708	1,706	1,974	2,055	1,554
Claims on private sector[f]	816	1,283	2,048	2,286	3,131	4,414	3,394	3,967	4,414	4,986	5,825	6,082	6,004
Bank of Taiwan	79	167	402	470	731	1,023	777	977	1,023	1,125	1,466	1,521	1,553
Other banks	737	1,116	1,646	1,816	2,400	3,391	2,617	2,991	3,391	3,861	4,362	4,561	4,451
Claims on government[g]	1,108	1,477	1,687	2,020	2,388	2,444	2,350	2,609	2,444	2,528	2,439	2,381	2,439
Bank of Taiwan	1,092	1,445	1,652	1,974	2,338	2,356	2,285	2,535	2,356	2,430	2,195	2,133	2,194
Other banks	16	32	35	46	50	88	65	74	88	99	244	248	244
Claims on official entities[f]	1,342	1,596	1,958	2,475	2,817	3,058	2,815	3,165	3,058	3,009	2,711	2,722	3,066
Bank of Taiwan	1,257	1,506	1,860	2,385	2,739	2,956	2,733	3,083	2,956	2,927	2,634	2,661	2,978
Commercial banks	85	90	98	90	78	102	82	82	102	82	77	61	88

16. CURRENCY AND BANKING *(Cont'd)*

End of period

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
CHINA (Taiwan, *million new Taiwan dollars*) *(Cont'd)*													
Exchange rate[r]													
Buying:													
Sugar, Rice Exports	14.49	15.55	20.35	20.35	20.35	36.08	24.58	24.58	36.08	36.08	36.08	36.08	
Other Exports:													
Government	15.55	15.55	20.35	26.35	26.35	37.58	36.08	36.08	37.58	39.28	39.42	39.38	39.25
Private	15.55	15.55	26.35	26.35									
Non-Trade	15.55	15.55	21.95–29.05	24.68	24.68	36.08 / 37.58	36.08	36.08	36.08 / 37.58	36.08 / 39.28	36.08 / 39.42	36.08 / 39.38	
				29.05	29.05								
Selling:													
Government Imports	15.65	18.78	24.78	24.78	24.78	36.38	24.78	24.78	36.38	36.38	36.38	36.38	36.38
Other Imports	18.78	18.78	32.28	32.28	32.28	37.78			37.78	39.48	39.62	39.58	
Non-Trade	15.65 / 18.78	15.65 / 18.78	24.78	24.78	24.78	36.38 / 37.78	36.38	36.38	36.38 / 37.78	36.38 / 39.48	36.38 / 39.62	36.38 / 39.58	39.25
FEDERATION OF MALAYA and SINGAPORE (*million Malayan dollars*)													
Money supply	1,086	1,068	1,267	1,268	1,230	1,240	1,184	1,190	1,240	1,277[r]	1,301	1,295	1,331
Currency: net active	646	711	861	892	889	895	865	861	895	911[r]	934	934	954
Deposit money	440	357	406	376	341	345	319	329	345	366[r]	367	361	377
Time deposits	221	243	338	317	302	352	322	338	352	373[r]	400	415	421
Bank debits[h] Δ	...	...	1,438	1,600	1,679	1,628	1,508	1,625	1,707	1,715[r]	1,781	1,826	1,579
Foreign assets	1,213[r]	1,289[r]	1,539[r]	1,468[r]	1,375[r]	1,466[r]	1,340	1,345	1,466[r]	1,361[r]	1,384	1,402	1,429
Currency Board	827	892	965	992	1,004	1,082[r]	985	980	1,082[r]	1,041[r]	1,041	1,042	1,061
Other banks (net)	386[r]	397[r]	574[r]	476[r]	371	384	355	365	384	303[r]	343	360	368
Claims on private sector	179	217	244	292	330	349	370	377	349	389[r]	386	393	399
Claims on government	35	43	37	45	48	51	49	49	51	54[r]	55	57	60
Exchange rate (*par rate*)	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.04[r]	3.05	3.05	3.06
HONG KONG (*million HK dollars*)													
Money supply													
Currency notes: in circulation	802	728	727	732	755	772	754	756	772	789	789	790	806
Bank clearings Δ	1,035	1,140	1,160	1,276	1,412	1,309	1,300	1,235	1,307	1,218	1,411	1,482	1,424
INDIA (*thousand million rupees*)													
Money supply	17.09	18.32	20.47	21.79	22.76	23.50	23.80	23.15	23.50	24.99	25.30	24.59	24.51
Currency: net active	11.66	12.25	13.86	14.85	15.27	16.06	15.99	15.35	16.06	17.25	17.36	16.92	16.71
Deposit money	5.43	6.08	6.61	6.93	7.49	7.43	7.80	7.79	7.43	7.74	7.94	7.66	7.80
Private time deposits	4.68	5.26	6.13	6.98	8.93	11.40	10.24	10.73	11.40	11.85[r]	12.68	13.22	...
Government deposits (Reserve Bank of India)	1.16	0.60	0.59	0.65	0.59	0.62	0.65	0.54	0.62	0.60	0.58	0.67	0.71
Bank clearings Δ	5.49	5.58	6.52	7.03	7.41	7.96	7.48	7.96	8.19	8.89	8.55	9.06	8.54
Foreign assets (Reserve Bank of India)	7.63	7.71	7.75	6.48	4.15	3.07	3.35	3.02	3.07	3.31	3.10	2.96	3.01
Claims on private sector	5.47	6.16	7.04	8.84	10.14	10.38	10.88	10.22	10.38	11.61[r]	11.78	11.64	11.33
Commercial banks	5.28	5.95	6.78	8.48	9.59	9.64	10.20	9.51	9.64	10.86[r]	10.89	10.66	10.35
Cooperative banks	0.19	0.21	0.26	0.36	0.55	0.74	0.68	0.71	0.74	0.75	0.89	0.98	0.98
Claims on government	11.78	12.11	14.05	16.93	21.88	26.33	24.68	25.33	26.33	26.91	28.16	28.55	28.45
Reserve Bank of India	6.06	6.04	7.13	9.82	14.13	16.35	16.20	15.86	16.35	17.03	18.03	17.64	17.32
Other banks	4.58	4.98	5.74	5.96	6.63	8.84	7.28	8.37	8.84	8.67	8.90	9.70	9.95
Treasury currency	1.14	1.09	1.18	1.15	1.12	1.14	1.20	1.10	1.14	1.21	1.24	1.21	1.19
Rates of interest (*% per annum*)													
Call money rate Δ	2.12	2.35	2.59	3.21	3.27	...	...	...	...	...	...	...	...
Yield of long-term gov't bonds[i] Δ	3.64	3.65	3.72	3.92	4.13	4.17	4.22	4.16	4.09	4.05	4.06	4.05	4.06
Exchange rate (selling)	4.768	4.808	4.778	4.805	4.770	4.780	4.775	4.770	4.780	4.755	4.758	4.763	4.768
INDONESIA (*thousand million rupiah*)													
Money supply	7.49	11.12	12.23	13.39	18.91	29.37	21.65	23.93	29.37	30.02	32.38	...	...
Currency: net active	5.22	7.47	8.65	9.37	14.09	19.87	15.42	16.46	19.87	20.09	22.83	...	...
Deposit money	2.27	3.64	3.59	4.02	4.82	9.49	6.23	7.47	9.49	9.93	9.54	...	...
Private time deposits	0.27	0.27	0.33	0.29	0.29	0.34	0.28	0.33	0.34	0.35	0.40	...	...
Foreign assets (net)	2.02	1.73	2.74	1.66	1.26	2.48	1.72	1.90	2.48	2.89	2.75	...	...
Bank Indonesia (net)	1.30	1.15	1.95	0.90	0.58	2.15	1.43	1.55	2.15	2.52	2.05	1.97	1.94
Gross foreign assets	2.40	2.89	3.50	2.89	2.55	2.48	2.01	1.98	2.48	2.74	2.22	2.25	2.26
Foreign liabilities[j]	1.10	1.74	1.55	1.99	1.97	0.33	0.58	0.43	0.33	0.22	0.17	0.28	0.32
Other banks	0.72	0.58	0.79	0.76	0.68	0.33	0.29	0.35	0.33	0.37	0.70	...	...
Claims on private sector	2.40	2.83	4.02	5.05	4.47	6.56	5.58	6.92	6.56	7.90[r]	8.39	...	...
Bank Indonesia	0.44	0.46	0.86	1.00	0.74	1.77	1.19	2.03	1.77	1.84[r]	1.56	...	...
Other banks	1.96	2.37	3.16	4.05	3.73	4.79	4.39	4.89	4.79	6.06	6.83	...	...
Claims on government	5.92	9.26	9.30	11.46	20.77	30.60	24.16	26.41	30.60	33.04	35.83	...	...
Bank Indonesia	5.40	8.61	8.50	10.58	19.15	28.46	22.58	24.31	28.46	30.85	33.56	...	...
Other banks	0.02	0.02	0.02	0.02	0.67	1.03	0.56	1.05	1.03	1.04	1.08	...	...
Treasury currency	0.50	0.63	0.78	0.84	0.95	1.11	1.02	1.05	1.11	1.15	1.19	...	...
Exchange rate:													
Principal export rate	11.36	11.36	11.36	11.36–13.57	22.7	30.3	30.3	30.3	30.3	30.3	30.3	30.3	36.0
Principal import rate	11.44	11.44	11.48–22.95	11.48–22.95	28.4–42.6	37.9–56.8	37.9–56.8	37.9–56.8	37.9–56.8	37.9–56.8	37.9–56.8	37.9–56.8	45.0–67.5
Other import rate	22.89	15.26–22.89	34.42–57.38	28.68–57.38	56.8–78.1	75.8–104.2	75.8–104.2	75.8–104.2	75.8–104.2	75.8–104.2	75.8–104.2	75.8–104.2	90.0–135.0

16. CURRENCY AND BANKING *(Cont'd)*

End of period

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
IRAN *(thousand million rials)*													
Money supply	18.17	18.52	20.22	23.59	27.70	36.33	30.86	34.03	36.33	36.70	37.25	38.02	...
Currency: net active	16.51	16.84	17.71	20.78	24.26	27.79	25.76	27.79	27.79	30.83	29.59	29.94	...
Deposit money	1.66	1.68	2.51	2.81	3.44	7.00	5.10	6.24	7.00	5.86	7.66	8.08	...
Private time deposits	3.26	3.68	4.12	5.31	5.79	...	7.14	7.51	7.30	8.78	8.82	9.07	...
Government deposits	3.49	3.97	4.08	4.57	6.07	8.08	6.51	7.35	8.08	7.53	10.25	9.50	10.17
Bank debits Δ	10.88	13.98	15.33	16.80	18.20	20.71	18.17	18.18	25.14	21.15	20.33	21.24	20.64
Foreign assets[k] (National bank)	7.12	6.76	7.11	8.44	18.57	19.13	19.66	20.49	19.13	17.29	15.84	19.25	17.15
Claims on private sector	6.46	8.06	9.71	10.81	13.98	22.61	17.68	19.78	22.61	25.28	27.26	28.82	...
National Bank	3.47	4.49	5.72	7.45	8.37	12.73	10.46	11.43	12.73	13.89	13.56	14.19	14.63
Commercial banks	2.99	3.57	3.99	3.36	5.61	9.88	7.22	8.35	9.88	11.40	13.70	14.64	...
Claims on government (National bank)	11.00	11.24	11.08	11.94	12.59	14.14	13.52	14.39	14.14	14.90	14.56	13.14	13.66
Claims on official entities (National bank)	5.02	5.82	6.24	6.88	9.09	12.27	9.41	9.73	12.27	12.74	13.67	11.61	14.69
Exchange rate: selling	90.50	84.50	76.50	76.50	76.50	76.50	76.50	76.50	76.50	76.50	76.50	76.50	76.50
JAPAN *(thousand million yen)*													
Money supply	...	2,013	2,331	2,714	2,824	3,185	2,555	2,655	3,185	2,960[r]	3,023	...	...
Currency: net active	...	523	626	720	750	794	623	595	795	646	703	...	...
Deposit money	...	1,490	1,705	1,994	2,070	...	1,929	2,060	2,386	2,312	2,320	...	...
Time deposits (other banks)	...	2,534	3,064	3,837	4,767	5,867	5,247	5,547	5,867	6,195	6,447	...	...
Government deposits	...	171	179	210	221	251	245	250	251	355	258	...	...
Bank of Japan	58	67	61	66	46	54	37	50	54	158[r]	40	...	...
Other banks	...	104	118	144	175	197	208	200	197	197[r]	218	...	...
Bank clearings Δ	2,080	2,430	2,750	3,342	4,264	4,745	4,552	4,832	5,132	4,585	4,791	4,608	4,542
Foreign assets	...	302	447	457	272	396	322	321	396	436[r]	451	...	...
Bank of Japan	— 19	— 31	170	153	— 6	91	— 6	37	91	122	146	...	...
Foreign Exchange Fund	297	342	289	355	282	305	331	278	305	326	354	...	...
Other banks	...	— 9	— 12	— 51	— 4	—	— 3	6	—	— 11	— 50	...	...
Claims on private sector	...	4,164	4,684	5,917	7,253	8,501	7,735	8,107	8,501	8,840[r]	9,177	...	...
Claims on government	...	264	450	465	471	675	264	357	675	609	522	...	...
Rates of interest *(% per annum)*													
Call money rate (Tokyo) Δ	7.82	7.84	7.36	6.57	10.94	9.69	10.22	9.37	8.22	8.34	8.58	8.40	8.40
Yield of long-term gov't bonds[m] Δ	6.68	7.01	6.33	6.34	6.33	6.32	6.32	6.32	6.32	6.32	6.32	...	...
Exchange rate *(par rate)*	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0
KOREA, southern *(thousand million hwan)*													
Money supply	33.6	61.9	99.6	136.1	158.4	213.5	165.0	182.4	213.5	233.5	208.4	208.7	199.4
Currency: in circulation	22.4	40.1	58.8	73.4	86.2	111.1	72.9	88.4	111.1	98.8	94.0	95.5	98.9
Deposit money	11.2	21.8	40.8	62.8	72.2	102.4	92.1	94.1	102.4	134.8	114.4	113.2	100.5
Uncleared checks and bills	2.0	4.2	6.0	15.2	13.2	20.9	15.9	16.7	20.9	22.8	1.7	1.8	1.6
Time deposits[n]	3.8	5.0	10.0	16.9	17.7	24.0	20.2	21.9	24.0	29.6	40.2	38.1	47.4
Bank clearings Δ	21.4	51.8	107.4	207.7	201.2	226.9	223.9	225.6	267.9	274.9	307.8	300.3	...
Government deposits	15.9	17.6	33.4	68.0	133.0	125.9	130.4	126.1	125.9	122.3	116.2	123.5	128.7
Counterpart funds	0.2	16.1	14.2	83.0	115.9	104.4	135.4	122.1	104.4	114.3	84.1	78.8	86.9
Foreign assets (Bank of Korea)	12.6	8.4	14.2	15.7	23.7	39.6	25.8	30.5	39.6	41.0	40.0	41.0	42.1
Gross foreign assets	19.6	19.4	47.4	48.6	57.0	72.4	58.4	63.4	72.4	73.9	72.5	73.4	74.2
Foreign liabilities[p]	4.4	8.5	23.4	23.1	23.5	23.1	22.8	23.0	23.1	23.1	22.8	22.7	22.4
Revaluation proceeds	2.6	2.5	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8
Claims on private sector	20.8	24.0	42.6	76.6	113.4	162.7	115.9	139.5	162.7	175.5	178.4	176.7	176.5
Bank of Korea	5.5	2.0	5.5	5.8	5.9	5.4	5.8	5.7	5.4	5.3[r]	5.3	5.3	5.2
Other banks	15.3	22.0	37.1	70.8	107.5	157.3	110.0	133.8	157.3	170.2	173.1	171.4	171.3
Claims on government	24.7	68.0	111.4	213.4	304.9	308.3	318.8	312.0	308.3	324.9	297.8	296.5	295.7
Bank of Korea	24.1	66.9	109.5	209.7	299.9	303.4	313.7	306.9	303.4	320.1	293.0	291.8	290.9
Other banks	0.6	1.1	1.9	3.7	5.0	4.9	5.3	5.0	4.9	4.8	4.8	4.8	4.8
Claims on official entities	4.7	0.9	3.5	5.4	9.6	17.5	9.5	13.7	17.5	17.3	17.1	17.8	17.8
Bank of Korea	1.8	0.5	2.7	4.0	8.0	16.0	8.0	12.0	16.0	16.0	16.0	16.0	16.0
Commercial banks	2.9	0.4	0.8	1.4	1.6	1.5	1.5	1.7	1.5	1.3	1.2	1.8	1.9
Exchange rate (official)	180	180	500	500	500	500	500	500	500	500	500	500	500
PAKISTAN *(million rupees)*													
Money supply	3,543[r]	3,803[r]	4,369[r]	4,923[r]	5,234[r]	5,502[r]	5,362[r]	5,273[r]	5,502[r]	5,447[r]	5,560	5,441	5,461
Currency in circulation	2,372	2,575	2,990	3,466[r]	3,583[r]	3,742	3,627	3,463[r]	3,742	3,656	3,647	3,574	3,552
Deposit money	1,196	1,281	1,556	1,469	1,655	1,770	1,740	1,832	1,770	1,861[r]	1,935	1,877	1,925
Time deposits	644	808	889	968	1,082	1,179	1,190	1,225	1,179	1,171	1,239	1,271	1,281
Bank clearings[q] Δ	536	555	593	696	761	789	761	758	816	928	837	921	...
Government deposits	216	173	152	432	764	822	817	677	822	838	829	1,117	967
Foreign assets (State Bank of Pakistan)[s]	935	1,038	1,648	1,659	1,268	1,228	1,231	1,035	1,228	1,234	1,304	1,301	1,385
Claims on private sector (scheduled banks)	802	984	1,183	1,256	1,294	1,314	1,177	1,249	1,314	1,290	1,200	1,240	1,279
Claims on government	2,280	2,571	2,501	3,056	3,683	3,998	3,900	3,895	3,998	3,981	3,918	4,006	3,880
State Bank of Pakistan	1,247	1,404	1,205	1,663	2,125	2,329	2,232	2,230	2,329	2,291	2,166	2,136	2,026
Other banks	820	937	1,036	1,110	1,260	1,367	1,362	1,371	1,367	1,382	1,466	1,571	1,556
Treasury currency	213	230	260	283	298	302	305	294	302	308	305	299	298
Claims on provincial governments	98	145	122	117	228	256	219	172	256	194	220	222	161
State Bank of Pakistan	8	53	12	2	119	122	110	51	133	60	86	89	—
Scheduled banks	91	92	110	115	109	134	109	121	134	134	134	134	161
Rates of interest (% *per annum*)													
Call money rate Δ	1.01	1.30	1.45	2.04	2.03	1.66	1.05	0.62	2.29	2.43	1.28	0.55	1.28
Yield of long-term government banks[t] Δ	3.06	3.14	3.15	3.15	3.20	3.20	3.20	3.20	3.21	3.22	3.23	3.23	3.23
Exchange rate (selling)	3.320	3.340	4.782	4.805	4.778	4.785	4.767	4.778	4.785	4.762	4.765	4.768	4.775

16. CURRENCY AND BANKING *(Cont'd)*

End of period

	1953	1954	1955	1956	1957	1958	1958 II	1958 III	1958 IV	1959 I	1959 II	1959 July	1959 Aug
PHILIPPINES (*million pesos*)													
Money supply	1,224	1,227	1,336	1,499	1,598	1,738	1,638	1,655	1,738	1,826	1,790	1,808	1,815
Currency: net active	666	677	670	719	782	818	747	786	818	807	796	798	802
Deposit money	558	550	666	780	817	919	891	869	919	1,019	994	1,010	1,013
Private time deposits	461	526	586	658	803	868	850	858	868	995	1,203	1,104	...
Bank clearings △	520	550	614	739	876	915	914	917	895	1,559	1,770	1,293	...
Bank debits[u] △	743	815	921	1,145	1,335	1,492	1,543	1,435	1,484	204	417	338	310
Government deposits	150	132	196	281	169	225	280	198	225	204	417	338	...
Central Bank of the Philippines	55	32	63	112	56	154	192	115	154	143	253	...	...
Philippine National Bank	95	100	133	168	113	71	93	83	71	61	65	66	71
Foreign assets (*net*)	593	545	418	450	201	182	216	235	182	216[r]	244	261	312
Central Bank	481	415	310	322	62	75	83	96	75	83	109	105	135
Other banks	112	130	108	118	139	107	133	139	107	133	135	156	176
Claims on private sector (other banks)	848	939	1,106	1,254	1,513	1,588	1,439	1,491	1,588	1,633	1,650	1,660	1,672
Claims on government	439	417	577	707	780	907	901	817	907	919	1,035	...	...
Central Bank of the Philippines	344	304	349	381	632	762	752	671	762	767	887	...	...
Other banks	95	113	228	326	147	144	148	146	144	152	148	...	...
Claims on official entities	124	160	226	268	376	462	512	463	462	494	489	472	501
Central Bank of the Philippines[v]	52	115	185	198	315	393	378	401	393	407	409	...	...
Other banks	71	45	41	68	60	69	134	62	69	87	80	83	87
Exchange rate (selling)	2.358–2.015	2.358–2.015	2.358–2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015	2.015
THAILAND (*million baht*)													
Money supply	5,660	6,245	7,195	7,700	8,041	8,342	7,878	8,055	8,342	8,575[r]	8,123	8,174	8,255
Currency: net active	4,016	4,548	5,176	5,419	5,577	5,504	5,373	5,325	5,504	5,792[r]	5,428	5,406	5,413
Deposit money	1,644	1,697	2,019	2,281	2,464	2,838	2,504	2,730	2,838	2,783	2,695	2,768	2,842
Time deposits	518	652	824	1,048	1,223	1,459	1,321	1,365	1,459	1,464	...	...	...
Government deposits	1,221	974	1,110	1,244	1,362	1,287	1,427	1,345	1,287	1,409	...	...	...
Bank of Thailand	975	693	763	1,132	1,120	1,086	1,189	1,113	1,086	1,196	1,349	...	...
Deposit money banks	246	281	347	112	242	201	238	232	201	213	...	...	...
Bank clearings △	2,366	2,230	2,598	2,816	3,095	3,451	3,500	3,410	3,414	3,881	3,884	3,653	3,285
Foreign assets	1,160[r]	192[r]	2,635[r]	2,905[r]	3,036[r]	2,960[r]	3,021[r]	3,036[r]	2,960[r]	3,048[r]	3,124	3,132	3,142
Bank of Thailand	3,782	3,426	4,585	4,840	5,172	5,096	5,158	5,173	5,096	5,184	5,261	5,269	5,278
Exchange Fund	—	—	1,252[r]	1,244[r]	1,026[r]	1,026[r]	1,026[r]	1,026[r]	1,026[r]	1,026[r]	1,026	1,026	1,026
Profits on exchange	2,623	3,233	3,202	3,178	3,163	3,163	3,163	3,163	3,163	3,163	3,163	3,163	3,163
Claims on private sector	1,978	2,281	3,000	3,440	4,084	4,711	4,484	4,591	4,711	4,995	5,087	5,202	5,237
Claims on government	5,221	6,520	5,724	6,147	6,277	6,636	6,163	6,248	6,636	6,645[r]	6,490	...	...
Bank of Thailand	4,965	6,340	5,452	5,854	5,934	6,242	5,785	5,903	6,242	6,296[r]	6,072	5,058	6,056
Deposit money banks	256	180	272	293	343	394	378	345	394	349	418	...	...
Treasury bill rate (*% per annum*) △	2.25	2.27	2.26	2.28	2.27	2.91	2.99	2.98	2.98	2.99	2.99	2.99	2.99
Exchange rate (selling)	21.16	20.88	20.91	20.66	20.90	21.10	20.97	21.09	21.10	21.19	21.17	21.19	21.19
VIET-NAM (southern, *thousand million piastre*)													
Money supply	...	...	12.32	12.35	11.60	...	...	...	...	12.72	12.90	12.96	13.38
Currency: net active	...	...	6.78	8.26	7.56	...	...	...	...	8.56	8.36	8.45	8.62
Deposit money	...	...	5.55	4.09	4.05	...	...	...	...	4.15	4.55	4.50	4.76
Time deposits	...	...	0.50	1.26	0.85	1.08	1.10	1.09	1.08	1.40	1.12	1.02	1.04
Bank clearings △	...	...	3.13	2.86	3.20	3.21	3.50	3.33	2.85	3.33	3.41	3.27	...
Foreign assets	...	...	4.29	4.64	5.12	5.89	5.79	5.91	5.89	5.39	5.41	5.43	5.63
Banque Nationale du Viet-Nam	...	1.05	4.36	4.61	4.82	5.57	5.54	5.64	5.57	5.18	5.24	5.28	5.48
Other banks (net)	...	...	0.07	0.03	0.30	0.32	0.25	0.27	0.32	0.21	0.18	0.16	0.15
Claims on private sector	...	...	1.62	1.81	3.22	3.01	3.21	2.99	3.01	3.37	3.38	3.38	3.59
Claims on government	...	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68
Banque Nationale du Viet-Nam	...	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68	10.68
Exchange rate:													
Official rate	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Controlled free rate	—	—	—	—	73.00	73.50	70.50	73.50	73.50	73.50	73.50	73.50	73.50

GENERAL NOTE: *Net active currency:* Total currency outstanding less holdings in all banks including the central bank and in government treasuries. *Currency in circulation:* Total currency outstanding less holdings in all banks including the central bank. *Deposit money:* Private deposits in all banks, subject to cheque or withdrawable on demand, excluding inter-bank liabilities. *Government deposits:* Including government currency holdings. *Bank clearings:* Total value of cheques and other collection items cleared through clearing houses. *Claims on private sector:* Claims by the banking system arising from the rendering of loans and advances, discounting of bills, the holding of securities in private companies, etc. *Claims on government:* Holdings of government bonds, treasury bills and government guaranteed securities by the banking system, plus circulation of treasury currency. *Rates of interest:* Rates prevailing in the capital city, except for India, where Bombay rates are used. *Call money rate* is inter-bank rate on money at call. *Exchange rates* are shown in unit of national currency per US dollar.

△ Monthly averages or calendar months.

a. Deposits of State Boards in State Commercial Bank (excluding the State Agricultural Bank).

b. Including a constant amount of 99 million kyats, which is the value of a promissory note issued as cover for the currency issue.

c. 5 year treasury bonds.

d. Debits to demand deposits of private sector.

e. 3% national development loan 1965-1970 to earliest redemption date.

f. Including bank's holdings of stocks and debentures.

g. Including the counterpart of post office demand deposits.

h. Cheques sent out for local clearing and debits to current deposit accounts.

i. Running yield of 3% consols 1986 to earliest redemption date.

j. Payments agreement liabilities, mainly to Japan and the Netherlands.

k. Foreign assets were revalued in May 1957. The revaluation proceeds (7 billion rials) are held by the National Bank and are to be used for long term development.

m. Weighted yield (simple rate of interest) to latest redemption date of medium dated government bonds issued during the period stated.

n. Including deposits of local government and government institutions in commercial banks and non-governmental foreign currency deposits in Bank of Korea.

p. Clearing accounts with Japan.

q. The number of clearing houses was increased in 1952 and 1953.

s. Including outstanding assets receivable from the Reserve Bank of India under the partition agreements; excluding foreign assets of Banking Department.

t. Yield to maturity of 3% bonds 1968.

u. Total debits to checking account of private sector, except for 1948 when debits to government deposits are included.

v. Including a constant amount of 107 million pesos from 1952, representing the difference between foreign assets transferred from the Treasury and its note and coin issue, for which the Bank assumed liability.

UNITED NATIONS

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